

SENATE

MONDAY, JUNE 11, 1945

(Legislative day of Monday, June 4, 1945)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Lord of all being, whose glory flames from sun and star and on the earth, with a freshened world washed by Thy cleansing rain, we bring to Thee our parched souls that they may be restored by the riches of Thy grace.

O Thou from whom in vain we try to flee, grant us now in a violent world a saving experience of inner quiet and serenity. The futile years with their bitter lessons have taught us that the things for which we have greedily grasped—the bauble of fame, the glitter of gold, the allurements of sense, the bread of pleasure—are but vanity and vexation of spirit. And now, this morning hour, with the unsatisfied desires of our seeking hearts, we turn in contrition to Thee. Like flowers in June gardens uplifted to the sun, like still waters that mirror the eternal stars, so we would lift our yearning souls to Thee, our light and our life, our help and our hope. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous request, the reading of the Journal of the proceedings of the calendar day Friday, June 8, 1945, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	Myers
Austin	Green	O'Daniel
Ball	Guffey	O'Mahoney
Bankhead	Hart	Overton
Barkley	Hatch	Pepper
Bilbo	Hayden	Radcliffe
Brewster	Hickenlooper	Reed
Bridges	Hill	Robertson
Briggs	Johnson, Calif.	Saltonstall
Brooks	Johnson, Colo.	Shipstead
Buck	Johnston, S. C.	Smith
Burton	La Follette	Taft
Bushfield	Langer	Thomas, Okla.
Butler	Lucas	Tobey
Capper	McCarran	Tunnell
Chandler	McKellar	Tydings
Chavez	McMahon	Wagner
Donnell	Magnuson	Walsh
Downey	Mead	Wherry
Ellender	Mitchell	White
Ferguson	Moore	Wiley
Fulbright	Morse	Wilson
George	Murdock	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from

Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent on official business in Europe visiting battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from North Carolina [Mr. BAILEY], the Senator from North Carolina [Mr. HOEY], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] are absent on public business.

The Senator from West Virginia [Mr. KILGORE] is absent because of illness in his family.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent on official business in Europe for the Interstate Commerce Committee.

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILIS] is necessarily absent by leave of the Senate.

The PRESIDENT pro tempore. Sixty-eight Senators having answered to their names, a quorum is present.

MESSAGES FROM THE PRESIDENT—
APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On June 8, 1945:

S. 633. An act to amend the Criminal Code so as to punish anyone injuring a party, witness, or juror on account of his having acted as such.

On June 9, 1945:

S. 889. An act to amend section 47c of the National Defense Act of June 3, 1916, as amended, so as to authorize credit to students now or hereafter enrolled in the senior division of the Reserve Officers' Training Corps for military training received while on active duty in the Army, Navy, Marine Corps, or Coast Guard, or while pursuing a course of instruction in the Naval Reserve Officers' Training Corps.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 3368) making

appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes, in which it requested the concurrence of the Senate.

NOTICE OF HEARINGS BEFORE COMMITTEE ON BANKING AND CURRENCY ON FULL EMPLOYMENT BILL

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement explaining the plans of the Banking and Currency Committee for public hearings on the full employment bill, S. 380.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Extensive hearings on the full-employment bill (S. 380) will begin after the Banking and Currency Committee has completed its work on the Bretton Woods legislation, it was announced today by Senator ROBERT F. WAGNER, Democrat, New York, committee chairman.

"The maintenance of full employment in a free competitive economy," stated Senator WAGNER, "is the basic problem of our age. It must not be approached in a selfish or partisan spirit, nor with offhand opinions and ready-made reactions."

"In preparation for the full-employment hearings, I urge our national leaders in business, agriculture, labor, government, and all other fields, to consult and confer on the basic policies and programs needed to strengthen free enterprise and assure the existence of employment opportunities for all who are willing and able to work."

"I should like to see business, labor, agriculture, and government arrange for frank and open discussions of the full employment problem in every State and in every community. No legislation, no program, no policies aimed at the twin objectives of full employment opportunity and the fostering of competitive enterprise can be successful unless we can achieve widespread understanding of the issues that are involved and can map out a course for the future that will receive the wholehearted cooperation of the great majority of the American people."

"The coming discussion of the full-employment bill in the United States Congress should reflect the well-considered views of thoughtful citizens throughout the country. The problem of full employment, therefore, should be high on the program of every forum, every trade association, every trade union, every club, every PTA, every woman's association, throughout the summer so that Congress can arrive at a truly national decision as promptly as possible."

The full-employment hearings, the Senator revealed, will be held in two parts—the first part before Labor Day, the second after Labor Day.

Between now and Labor Day, Senator WAGNER stated, the committee hopes to receive testimony from: (1) The sponsors of the full-employment bill and other Members of Congress; (2) servicemen and veterans; and (3) national experts on the relation between employment and unemployment, on the one hand, and disease, crime, individual maladjustments, family problems, population growth, etc., on the other hand.

During the period after Labor Day the schedule will be as follows: (1) Business and the professions; (2) agriculture; (3) labor; (4) international relations; (5) State and local governments; (6) welfare and public service; (7) public works and conservation; (8) fiscal policy; (9) governmental organization; and (10) witnesses not otherwise covered.

This calendar, the Senator pointed out, is still subject to change and modification. The actual dates will be set in the near future.

THE SAN FRANCISCO CONFERENCE—
NOTICE OF INTENTION TO ADDRESS
THE SENATE

Mr. BURTON. Mr. President, I renew the notice which I gave last Friday, which was briefly discussed, to the effect that I would ask for the floor briefly on the convening of the Senate tomorrow with a view to making a statement with regard to the charter of the United Nations now being put into shape at San Francisco, and with particular emphasis on its effect on our foreign policy.

EDWARD V. MURPHY

Mr. WALSH. Mr. President, it is with profound sorrow that I announce the untimely death of a faithful and devoted employee of the Senate, Mr. Edward V. Murphy, assistant to the Official Reporters of Debates, who died on Friday last at his home in Washington.

Mr. Murphy, a brother of James W. Murphy, the present competent and respected chief of the Senate reporting staff, served in the capacity of assistant reporter since 1920. He had a profound knowledge of legislative procedure, and more especially the history and precedents of the Senate. Each day he compiled for the CONGRESSIONAL RECORD the routine business of the Senate, arranged it in the proper order, and stated it in the correct parliamentary language.

His knowledge of Senate procedure was of great assistance not only to Senators but also to the official reporters of debates. His advice and guidance were of especial value to new members of the reporting staff, who are always bewildered by the complexities of this difficult and exacting work.

Ed Murphy was a gentle, kindly soul, with never a harsh word for anyone. His many kindnesses to those with whom he came in contact will not soon be forgotten, and his place will be difficult to fill. We Members of the Senate offer our sincere sympathy to his brother, the other members of his family, and his many friends.

ENROLLED JOINT RESOLUTIONS SIGNED
DURING THE RECESS

Under authority of the order of the 8th instant,

The PRESIDENT pro tempore signed the following joint resolutions on June 9, 1945, which had previously been signed by the Speaker of the House of Representatives:

H. J. Res. 208. Joint resolution making an appropriation for emergency flood-control work, and for other purposes; and

H. J. Res. 212. Joint resolution making a supplemental appropriation for the fiscal year ending June 30, 1945, for the Children's Bureau, Department of Labor, and for other purposes.

REPORT OF A COMMITTEE DURING THE
RECESS

Under authority of the order of the eighth instant, Mr. GEORGE, from the Committee on Finance, to which was referred the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, reported it on June 9, 1945, with amendments, and submitted a report (No. 356) thereon.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON ADMINISTRATION OF FOREIGN AGENTS
REGISTRATION ACT

A letter from the Attorney General, transmitting, pursuant to law, a report on administration of the Foreign Agents Registration Act of 1938, as amended, from June, 1942, to December 31, 1944 (with an accompanying report); to the Committee on the Judiciary.

FRANKLIN D. ROOSEVELT HOSPITAL AT CRUGERS
PARK, PEEKSKILL, N. Y.

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to provide for designation of the Veterans' Administration Hospital at Crugers Park, Peekskill, N. Y., as Franklin Delano Roosevelt Hospital (with an accompanying paper); to the Committee on Finance.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"Senate Joint Resolution 24

"Joint resolution relative to memorializing Congress to enact remedial legislation to provide members of the armed forces with wage credits on their social security accounts for the period of their military service

"Whereas by the close of the war there will be approximately 15,000,000 men and women in the armed forces of the United States, of which group California's share will be approximately 1,000,000; and

"Whereas most of these men and women will have lost 1 to 4 years or longer from employment covered by the Federal Social Security Act; and

"Whereas the benefits to be received under the Federal Social Security Act are computed from contributions by both employee and employer, with the time spent in the armed forces exempt, thereby lowering forever the average monthly wage from which benefits are determined; and

"Whereas it is the feeling of the people of the State of California, as manifested and expressed in the legislature, that the returning veteran justly deserves and is entitled to fair and generous consideration; and

"Whereas the old age and survivors feature of the Social Security Law is a wholly Federal program: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Congress of the United States is respectfully memorialized to consider the enactment of remedial legislation to provide members of the armed forces with wage credits on their

social security accounts for the period of their military service; and be it further

"Resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives of the United States, to the Senators and Representatives from California in the Congress of the United States, and to the Federal Social Security Board."

A letter in the nature of a petition from Local No. 14, National Labor Relations Board Union, of St. Louis, Mo., praying for the adoption of amendments providing for a 25-percent increase in wage rates and true time and one-half as proposed by the subcommittee of the House Committee on the Civil Service to House bill 2497, the so-called payraise bill for Federal employees; ordered to lie on the table.

By Mr. TYDINGS:

A resolution adopted by the National Maritime Union of the Port of Baltimore, Md., favoring the enactment of the joint resolution (S. J. Res. 57) designating the birthday of Franklin Delano Roosevelt as a legal holiday; to the Committee on the Judiciary.

A resolution adopted by the Maryland Society of the Sons of the American Revolution, Baltimore, Md., protesting against the enactment of legislation providing for Federal aid to education; to the Committee on Education and Labor.

A resolution adopted by the board of directors of the Council of Churches and Christian Education of Maryland-Delaware, Inc., Baltimore, Md., protesting against the enactment of legislation providing for compulsory peacetime military training; to the Committee on Military Affairs.

A resolution adopted by the Public Service Commission of Maryland, Baltimore, Md., favoring the enactment of the bill (H. R. 2536) to amend the Interstate Commerce Act with respect to certain agreements between carriers; to the Committee on Interstate Commerce.

MISSOURI RIVER BASIN

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a resolution adopted by the North Dakota Reclamation Association on June 3 at its session at Minot, N. Dak., relating to further surveys and investigations by the Bureau of Reclamation and the Army Engineers for multiple purpose development of the Missouri River Basin.

There being no objection, the resolution was received, referred to the Committee on Irrigation and Reclamation, and ordered to be printed in the RECORD, as follows:

To the United States Bureau of Reclamation and United States Army Engineers:

In view of adequate appropriations, which at this time seem likely to be made available by the Seventy-ninth Congress for further surveys and investigations, by both the Bureau of Reclamation and the Army engineers for multiple purpose development of the Missouri River Basin, and

With fullest appreciation for efforts already advanced by these two Federal agencies, and with fullest confidence in their ability to effect over-all development of this great valley by coordination of their facilities, and without the creation of any separate authority, and

In view of supporting evidence to be made a supplementary part of this resolution setting forth the dire need of added water supply for domestic and industrial uses by cities in various sections of the State, as well as the ever-continued threat of drought to the western semi-arid section of the State, and necessity of further expansion of irrigation in

order to stabilize crop production and maintain the present high standard of livestock herds;

We respectfully urge the need for speedy action in completing all necessary preliminary surveys and investigations throughout the State, as embodied in the coordinated plan of the Bureau of Reclamation and Army engineers for North Dakota, which would make possible the launching of a construction program immediately following the end of the war, and as soon as funds are made available therefor.

This resolution respectfully submitted and adopted by the North Dakota Reclamation Association, represented by its directors in session at Minot, N. Dak., this 3d day of June, 1945: Be it further

Resolved, That a copy of this resolution be sent to Governor Fred G. Aandahl, chairman of the North Dakota State Water Commission; the full Congressional delegation from North Dakota in Washington, D. C.; F. O. Hagie, Secretary National Reclamation Association, Washington, D. C.

NORTH DAKOTA RECLAMATION ASSOCIATION,
HOWARD L. STONE, *President*.
J. I. ROVIG, *Secretary*.

EXTENSION OF EMERGENCY PRICE CONTROL ACT

Mr. CAPPER. Mr. President, I ask unanimous consent to present for printing in the RECORD and appropriate reference resolutions adopted by the Washington (D. C.) Federation of Churches in which they appeal to all citizens to support the Price Control Act, to refuse to patronize the black markets, and to "play fair with their neighbors and friends of this and other peace-loving nations."

There being no objection, the resolution was received, ordered to lie on the table and to be printed in the RECORD, as follows:

WASHINGTON FEDERATION OF CHURCHES,
Washington, D. C.

The Board of Directors of the Washington Federation of Churches appeals to President Harry S. Truman and to the Congress of the United States for an extension of the Price Control Act, without inflationary amendments.

In so appealing, members of the Board are influenced by no partisan considerations but have in mind the evil effects of the inflation which followed World War I. The cost of living during 1919-20 nearly doubled, and among the first to suffer were aged persons on small retirement incomes, wives and children of men who were or who had been in the armed forces, and fixed income workers. Reported critical food shortages make imperative the continuance of rationing and price control if available goods are to be fairly distributed here at home. Our deep concern for the security and health of American families moves us to ask for strong Government controls until such food shortages no longer exist.

Likewise, we have in mind the needs of the suffering peoples of Europe and Asia, and the food commitments our Government has made to them. We realize that these commitments can be respected only if our own citizens generously accept an extension of governmental regulations which have in some cases proved vexatious, but which have thus far enabled us to fight with honor and power. By tightening our belts and by cooperating in the destruction of black markets, we can fulfill the agreements already made, and hold a place of leadership in the moral reconstruction of the world.

We appeal, therefore, to the church people of Washington, and to all citizens, to support these price control measures, to refuse to patronize the black markets, and to

play fair with their neighbors and friends of this and other peace-loving nations.

Adopted: May 31, 1945.

For the Board of Directors:

CARROLL C. ROBERTS,
President.
FREDERICK E. REISSIG,
Executive Secretary.

ADMINISTRATION AND OPERATION OF OPA

Mr. CAPPER. Mr. President, I have received from the Chamber of Commerce of Newton, Kans., a letter and resolutions with respect to the authority of the OPA and asking that several important changes be made in the price-control program. I ask unanimous consent to present the letter and resolutions and that they be printed in the RECORD and appropriately referred.

There being no objection, the letter and resolutions were received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE,
Newton, Kans., June 4, 1945.

Hon. Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR MR. CAPPER: I am enclosing a copy of resolution passed by the retail committee of the Newton Chamber of Commerce. The discussion of the committee when considering this resolution reflected these ideas.

1. That Congress should retain more power in price control by putting some eliminations on ruling by the Office of Price Administration.

2. That the courts rather than the agencies would be used in interpreting the law and the regulations of the Office of Price Administration.

3. That the extension of price controls should be limited by Congress.

I understand these proposals are before the House Committee on Banking and Currency. We should be glad to have you consider the ideas in this resolution when the bill is before the Senate for consideration.

Very truly yours,

GUY W. WEBSTER,
Secretary-manager.

To Whom It May Concern:

Whereas the OPA in administering the Price Control Act has squeezed the normal gross margins of retailers by forcing them to absorb increases in production costs while maintaining retail prices; and

Whereas the present administration of the law creates a situation which would make it difficult or impossible for retailers to reconvert to a healthy postwar condition in case sales volume declines and/or costs return to normal; and

Whereas the interpretation of law and determination of guilt is a function of the courts rather than of administrative agencies; and

Whereas price controls should be relaxed at the earliest date consistent with necessities forced by the war emergency; Now, therefore, be it

Resolved, That the retail committee of the Newton Chamber of Commerce respectfully request the Congress to incorporate the following changes in the extension of the Price Control Act:

1. Congress should define the term "generally fair and equitable" to prevent the present squeeze and insure price ceilings that are fair to all retailers under whatever business conditions may develop.

2. Permit the courts to use discretion as to granting injunctions in cases of purely

technical or nonwillful violations that inevitably occur among billions of transactions.

3. Grant to the United States district and circuit courts, nearest the point of business of the petitioner, the right to review OPA decisions.

4. Extend the act to allow proper control over commercial rents in war-emergency areas.

5. Renew the act for a 12-month period, not 18 months as proposed by others.

REPORT OF THE COMMITTEE

The following reports of committees were submitted:

By Mr. AUSTIN, from the Committee on Foreign Relations:

H. J. Res. 145. Joint resolution providing for membership of the United States in the Food and Agricultural Organization of the United States; without amendment (Rept. No. 357).

By Mr. O'MAHONEY:

From the Committee on Indian Affairs:
H. R. 1656. A bill to authorize the Secretary of the Interior to modify the provisions of a contract for the purchase of a power plant for use in connection with the San Carlos irrigation project; with an amendment (Rept. No. 359).

From the Committee on Appropriations:
H. R. 3306. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1946, and for other purposes; with amendments (Rept. No. 358).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 892. A bill for the relief of Madeline J. MacDonald; without amendment (Rept. No. 360).

By Mr. MAGNUSON, from the Committee on Commerce:

S. J. Res. 51. Joint resolution granting permission to Charles Rex Marchant, Lorne E. Sassee, and Jack Veniss Bassett to accept certain medals tendered them by the Government of Canada in the name of His Britannic Majesty, King George VI, without amendment (Rept. No. 361).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HILL:

S. 1131. A bill for the relief of Jess Hudson; to the Committee on Claims.

By Mr. DOWNEY:

S. 1132. A bill for the relief of Aeronautical Training Center, Inc.; to the Committee on Claims.

By Mr. JOHNSON of Colorado:

S. 1133. A bill for the relief of S. M. Price; to the Committee on Claims.

By Mr. WALSH:

S. 1134. A bill to reimburse certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or damaged as the result of a fire in buildings 102 and 102-A in Utulei, Tutuila, American Samoa, on August 17, 1944; and

S. 1135. A bill to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire at the naval auxiliary air station, Pungo, Norfolk, Va., on February 13, 1945; to the Committee on Naval Affairs.

By Mr. McCARRAN:

S. 1136. A bill to provide for the evacuation and repatriation of the remains of certain persons who died and are buried outside the continental limits of the United States and

whose remains could not heretofore be returned to their homelands due to wartime shipping restrictions; to the Committee on Military Affairs.

By Mr. GREEN:

S. 1137. A bill for the relief of Charles Myers; to the Committee on Naval Affairs.

By Mr. MYERS:

S. J. Res. 75. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of Girard College; to the Committee on Post Offices and Post Roads.

HOUSE BILL REFERRED

The bill (H. R. 3368) making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes, was read twice by its title, and the bill (H. R. 3368) making appropriations.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENTS

Mr. O'MAHONEY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3306) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1946, and for other purposes, the following amendments, namely:

Page 10, line 13, following the word "Provided", insert the following: "That \$25,000 of the unexpended balance of the appropriation for this purpose for the fiscal year 1945 shall be available for payment to the National Symphony Orchestra Association for concerts to be given in the public schools of the District of Columbia during the fiscal year 1946 when a program satisfactory to the Commissioners of the District of Columbia has been arranged: *Provided further*."

Page 26, line 24, after the word "waived", under the paragraph "Municipal court", insert the following: "": *Provided further*, That hereafter the disbursing officer of the District of Columbia is authorized to advance to the clerk of the court, upon requisition previously approved by the Auditor of the District of Columbia, sums of money not exceeding \$500 at any one time, to be used for the payment of witness fees."

Mr. O'MAHONEY also submitted two amendments intended to be proposed by him to House bill 3306, the District of Columbia appropriation bill, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notice.)

RUMORED RETIREMENT OF GENERAL MARSHALL—EDITORIAL IN ARMY AND NAVY JOURNAL

Mr. HART. Mr. President, there is around town a rumor that the high command of the Army is facing a change, and I fear the rumor has good foundation. It is to the effect that General Marshall is seriously contemplating retirement from his position as Chief of Staff. That is a very serious matter. The Army and Navy Journal has published an editorial on the subject, which, it is to be hoped, will be very widely read. I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

We call upon the President to order, and the country to demand, that General of the Army Marshall abandon the idea of retirement. He assumed the Office of Chief of Staff on July 1, 1939, 2 months before Hitler invaded Poland, and when the black clouds of war were rolling their portentous thunder over the world. Faced with the prospect of meeting the armed might of Germany, then at its peak, and anticipating that Japan would join the Axis Powers and include America in its attack, his was the responsibility for the military defense of the United States and the promotion of our aims. How well he met the test an uninvaded and victorious United States now devoutly appreciates. But we do not, we cannot, realize the magnitude of the task he performed—the multitudinous questions and problems involved in the development of armies 8,000,000 strong from the mere prewar token Regular Army of 180,000; the provision of food, clothing, quarters, and the latest equipment for this vast horde; the transformation of civilians into efficient officers; the education of men in the school of the soldier, their training in squads, companies, regiments, divisions, and armies; their instruction in warfare in the light of the lessons revealed in Europe and the selection of commanders with the capacity to lead them, so that for the first time in American history organizations were placed upon the battlefields which required only the test of fire to make them the marvelous machines that, independently or cooperating with those of our allies, crushed the German Wehrmacht and annihilated the Japanese where they were entrenched. Nor can we grasp the intensity of thought which military genius fashioned into solutions of the problems of strategy imposed by the threats of enemies upon America's flanks and the vastness of global war, and of the equally vital problems of logistics, the execution of those solutions required. Then, too, there was the overwhelming need of the creation and maintenance of unity between the Allied Nations, each with its own ambitions and aims, and its expression in coordination and cooperation in all fields, diplomatic as well as military. The tremendous contribution thereto which General Marshall made is evidenced by the combined operations of all the powers that brought Germany to defeat, that kept China in the war, and that has driven Japan back from its far-flung conquests to its home islands.

Germany having been conquered and all the preparations down to the last button having been completed for the conquest of Japan, General Marshall is said to feel that he can relinquish active duty and, without the slightest disturbance to our arms and aims, leave to a successor, perhaps General Eisenhower, the execution of the plans for the reduction of our Pacific enemy. For General Eisenhower, the Army and Navy and our allies in common with our own people, have the highest admiration. Unquestionably because of the experience and the ability he has demonstrated in the field, his familiarity with the War Department, and his personal knowledge of the Far East, he would make a top Chief of Staff. But the mothers and fathers of the Nation know of the care of their sons and daughters which General Marshall personally has given, and realize that our casualties would have been infinitely greater had they been sent untrained into action and had they not been furnished with the latest in arms. The Regular Army, perhaps more than the less professional, understands the monumental and difficult character of the work he has done, and rely upon him to a degree beyond that enjoyed by most of our war leaders in the past. The National Guard and Reserves have found themselves better soldiers as a result of his policies and attention. The civilians who were commissioned, realize that to him is due their qualifications as members

of the great corps of officers the Nation possesses. The noncommissioned officers and privates attribute to him not only their training, but their health and comfort, unsurpassed in any previous war of our history. Thus the folks at home, and the rank and file of the troops, have implicit faith and trust in this chief, whose one aim has been victory in the shortest possible time and with the least cost in life. Like faith and trust were reposed in him by President Roosevelt; they are reposed in him by President Truman. He enjoys the supreme confidence of Congress. It follows that for him to retire would be a calamity of the first order. Let the country rise as one man, and, with due consideration of his own desires, make him understand that he is necessary as its military leader, and urge that he carry on. That can be done through the passage by Congress of a resolution which the President would be glad to approve, reiterating the national confidence in this great soldier, which is in every citizen's heart. Such a resolution we hope, would cause him to forego retirement, even though he may believe his own particular part of the war task is done, and induce him to remain in the responsible post, which he is filling with glorious distinction, at least until Japan shall have surrendered unconditionally.

ADDRESS BY SECRETARY OF THE NAVY AT NAVAL ACADEMY GRADUATING EXERCISES

Mr. WALSH. Mr. President, the Secretary of the Navy, Mr. James Forrestal, was the guest speaker at the graduating exercises held at the United States Naval Academy on June 6, 1945. He spoke to the largest class ever to be graduated from this institution. In his address he touched upon many points which were of importance, not only to the young graduates of the Naval Academy, but to every American citizen. He stated:

The most dangerous thing for the United States to do, next to a decision to abstain from such a world organization, would be to assume that simply because a document has been written or a plan drawn for international organization the evolution of the plan into a living and viable instrument will be automatic.

It seems to me that many of us nowadays are not fully aware of the correct relationships between actions and words, and that many of us have a tendency to substitute mere words for actions. He also states:

Peace without the power to enforce it must remain an empty dream.

In considering plans for our postwar Navy, we must make sure we retain the powerful Navy which has been constructed during the war.

The Secretary stated that to naval officers, certain facts about naval and air power seemed to be self-evident truths, but that these facts are unknown to the average citizen, and to some Government officials. These self-evident truths he stated to be as follows:

First. That possession of such power, giving us control of the great reaches of sea in both oceans, means that our enemies cannot bring attacks to our home shores.

Second. That the corollary of the above statement is that the places where we fight any nation with which we go to war will be of our choosing and not theirs.

Third. That possession of sea power multiplies the effectiveness of land forces, and may give us what Mahan said British sea power gave Wellington, the multiple use of the

limited forces at his disposal—they were available to fight Napoleon in Spain and they could be shifted by water to fight in the Low Countries.

Fourth. That, however powerful our land armies may be, it is command of the sea that enables their power to be applied, whether it is on the coast of north Africa, the beaches of Normandy, or in the jungles of Luzon.

Another vitally important point brought out in the Secretary's address was the difference in educational procedures and methods between the military schools such as Annapolis and West Point and the liberal arts colleges. He stated that while West Point and Annapolis had something to learn from these institutions, the reverse was also true.

In my judgment, Mr. President, this address is most informative, and I ask unanimous consent that it be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is the season of the year when young men and women, on occasions known as graduations or commencements, become exposed to the desire of their elders to indulge that greatest of all human propensities—giving advice to others.

This is a season which is made conspicuous not only by those June days, the rarity of which was sung by one of our gentlest American poets, but is also marked by the felicitous bromides and the happy clichés of innumerable speakers of varying ages and pomposity.

Like all men, I hold myself not to be old; as to pomposity I shall have to leave you to judge.

When the gigantic task of winning this war is finished the nations that have won it will be faced with the equally difficult task of creating a mechanism to reduce the risk of future wars.

I resist the temptation here to use such phrases as "guaranteeing future peace" or "insuring against war," because in my view there is no automatic way of insuring against war or of guaranteeing peace, and I think it is unwise to encourage the accumulation of such expressions. They tend to diminish the very watchfulness, care, and prudent statesmanship which are the real guarantors of peace.

Constant vigilance is the price not merely of liberty of an individual nation but of the security and peace of the world.

It is obvious that, if we are to have peace in the world, the United States must be one of the architects of any international organization designed for that purpose. But having said that, I would like to add that the most dangerous thing for the United States to do, next to a decision to abstain from such a world organization, would be to assume that simply because a document has been written or a plan drawn for international organization the evolution of the plan into a living and viable instrument will be automatic.

The writing of the document and the construction of the plan are only first steps in the long journey to world security. Many bricks have to go into that structure; bricks of economic stability and balance, of social and political justice, and, possibly the most important of all, of mutual education in confidence, courtesy, and trust among the victors, so that the nations we have defeated will not be able, by sowing the seeds of suspicion and fear among us, to prepare the way for that fatal lack of understanding and concurrence of action which made it possible for Hitler, Mussolini, and the Japanese to prepare for this war.

One of the bricks in the international structure will be the realization by this country as well as by the world that availability of armed force to prevent aggression is fundamental in any plan for peace. We must constantly remind ourselves that there is no hope of peace unless the nations desiring a world built upon law, not upon force, are willing to fight for that choice. Peace without the power to enforce it must remain an empty dream.

I start with the assumption that this country, as one of the great powers which have lifted the terrible shadow thrown across the world in the last 5 years, must retain its armed force and its willingness and ability to make swift use of it whenever nations such as Japan, Italy, and Germany get into the hands of outlaws. I assume that the United States Navy will be one of the great elements of that power, and I am speaking to you as a group of men who will be officers in the naval service.

I want to remind you that, having chosen the profession into the active practice of which you are now being graduated, there devolves upon you a great responsibility to maintain its high traditions. At the same time I want to remind the Nation of the debt that it owes to the numbers of devoted naval officers who have gone before you.

I say nothing new when I remark here that there is occasional criticism both in print and in conversation of what is called the Annapolis Club. Public reference is sometimes made to the thesis that Annapolis graduates regard themselves as a select and snobbish group of men sharply set off from the vulgar mass of the rest of the Nation.

This I have found to be untrue. The men like yourselves who attend the Naval Academy come from all sectors and conditions of the American scene. The father of Fleet Admiral King was a railroad employee in Lorain, Ohio. Fleet Admiral Nimitz came from a small town in Texas where his grandfather ran a small hotel. Admiral Jonas Howard Ingram was born in a small Indiana town of Jeffersonville, on the Ohio River; his father, W. T. Ingram, was a real estate man and owner of a sand and gravel pit. Admiral Halsey was born in Elizabeth, N. J., the son of a naval family. Admiral Spruance is the son of an Indianapolis businessman. Admiral Mitscher's father was one of the first settlers in Oklahoma, and Admiral Kelly Turner's father was a forty-niner in California.

These and others like them are the leaders of our Navy. They are not extraordinarily different from other Americans. It is not from such backgrounds as these that there comes a Junker class or the legend of a master race. As a matter of fact there is no group in America within the scope of my own acquaintance or knowledge who have a clearer understanding of the great principles upon which the American way of life is established or who would more tenaciously resist any attempt to change our fundamental forms of government.

If it seems desirable to call this group of men a club, I have no quarrel with the appellation, but I want to say here that I thank God that the Naval Academy produced men of patriotism, talent, and discipline to provide an officer corps capable in a great crisis of building, equipping, and training the greatest naval force the world has ever seen.

I am thankful that this group of men had the inner discipline and devotion to duty to continue in their profession during years when the country seemed at times to be unaware of their existence and certainly quite unaware of the need for military power. The highest tribute to the Academy, as it completes 100 years of services to the Nation, is the record of its graduates' achievements.

You and those who have gone before you are custodians of the honor of our flag and

our country; you have become symbols of national service and patriotism by the dedication of yourselves to your country's service.

The burden you will carry is very great in time of war and it may sometimes seem unrewarded in time of peace, but that is a part of the self-dedication that is implied by the acceptance of your commissions today in the United States Navy.

There is another responsibility which goes along with the somewhat simpler, more direct responsibility of living up to the traditions and the honor of this Academy. I refer to the necessity of the members of the Regular Navy to see to it that in peacetime the general public is understood by the Navy and that the public, in turn, understands the Navy.

Among other things that you will have to keep in mind is the realization that the professional naval officer's knowledge of sea power and what it means to the security of this Nation is not shared by the average American citizen. Very few have read Mahan thoroughly. I doubt if even all of you have, and I shouldn't like to have to take an examination myself on his writings.

That being so, it should be part of your mission to enlighten the people on all appropriate occasions of these primary truths about the sea and air power of our Navy:

First. That possession of such power, giving us control of the great reaches of sea in both oceans, means that our enemies cannot bring attacks to our home shores.

Second. That the corollary of the above statement is that the places where we fight any nation with which we go to war will be of our choosing and not theirs.

Third. That possession of sea power multiplies the effectiveness of land forces, and may give us what Mahan said British sea power gave to Wellington—the multiple use of the limited forces at his disposal—they were available to fight Napoleon in Spain and they could be shifted by water to fight in the Low Countries.

Fourth. That however powerful our land armies may be, it is command of the sea that enables their power to be applied, whether it is on the coast of north Africa, the beaches of Normandy, or in the jungles of Luzon.

To you these are all self-evident truths, but they are not to the average citizen or even everyone within Government. If they were, we would have no difficulty in peacetime in getting our necessary appropriations. We would not have had to spend over a hundred billion dollars for our Navy in this war. So I ask each of you, in short, to consider yourself a purveyor of information about the Navy and about our national need for its continuance. Never get tired of the repetition of this story, nor take it for granted that it is already known to your listeners.

There are many barriers to each communication between the officers of the service and the public but those barriers must be leveled if we are not to return to the inertia of the 20 years before the war on national defense.

I shall reaffirm as often as I get appropriate opportunity what I have said here today about the character and quality of the graduates of the Naval Academy. However, I am also constrained to remind you and your older associates of the Navy that while the trained Annapolis graduates are essential to our ability to conduct naval warfare, the support of the Nation is essential to the existence of the Navy, and that the Navy which is successfully fighting this war is a civilian Navy. Three million nine hundred thousand Americans constitute its strength. Of that number 400,000 are officers, and only 11,350 of them were graduated from the Naval Academy. I remind you that the Navy has grown more than 30-fold in its enlisted personnel.

There were about 100,000 enlisted personnel in 1940 against the 3,500,000 who now man the Navy on land and sea. The Naval Academy is a necessary part of our national defense. But Navy men must never forget that they need the support of the people in peacetime and their comradeship in wartime.

For this reason the Navy must make it its business to maintain adequate channels of contact with the public, which means with public opinion. It must take firm grasp of the fact that in time of war the Navy will have to be manned by your fellow citizens, a great percentage of whom have never before seen the sea. It must face the fact that its officers will have to come from these same civilian sources. Right now it has to face the fact that in order to obtain the officers needed to man the Navy which we must keep when this war is over we shall have to get large numbers from the ranks of the Reserves who are serving and fighting in the Navy, now chiefly in the Pacific.

My own estimate is that beyond the Regular Line of the Navy plus those graduating this year and next from the Naval Academy this number will approximate 30,000. To get these men the Navy will have to face the competition of the opportunities of civilian life. To get them—and we shall not get them unless we do this—the officers of the Regular Navy in all commands must realize and accept the responsibility of convincing young men of promise that they have the same opportunities and the same chances for advancement that are available to Annapolis graduates. In other words, that the criteria of promotion in the Navy are character, competence, and capacity for leadership.

It may be appropriate at this point to say that the Department is now examining the curriculum of instruction at the Naval Academy with a view to bringing it into closer alignment with the needs of the service as demonstrated by our experience in wartime.

The Naval Academy from time to time has been referred to as a trade school and it has been criticized for the lack of classical background provided in other colleges. This may be a fair criticism but it may be equally fair to remark that the criticism can be made reciprocally—that is to say, the liberal arts colleges have something to learn from West Point and Annapolis just as those institutions can learn from them. One university that I know of has already undertaken to profit by the experience of the war to the extent of limiting the scope of the elective system of study and making obligatory instruction in those basic courses, such as mathematics and science, which have been found so indispensable in wartime.

We hope in the Navy to be able to devise a system of education which will insure that every officer who serves in the United States Navy, Regular or Reserve, will have received approximately the same basic beginning training so that there cannot again be even the friendly debate as to the merits of the trade schools versus the university country club. The details of this have not yet been worked out, but I regard it as one of the most important tasks that face us in making our plans for the postwar Navy.

I have said many times what I believe with all my heart, that this sea and air Navy of ours which has been built to the point of great power and high efficiency must be one of the means to bulwark our hopes and aspirations for a world of justice, of law, and of decency. To you I endeavor to say today that you have a double obligation—the obligation to return to the Navy in terms of honorable service what the Navy has given you and will give you, and, secondly, to constitute in yourselves one means of keeping the American public informed of what the Navy is and what its needs are, that it is founded in democracy and belief in our republican institutions, and that it must have the support of the Con-

gress and the people if we are to keep it what it is today, the greatest and finest Navy in the world.

You leave Annapolis to become a part of that great aggregation of ships and fighting men. Some of you will go fairly swiftly to duty in destroyers and submarines, in the carriers and on the battleships, and in the Marine Corps. You will have the high privilege of taking part in the liquidation of our eastern enemy, Japan.

You go to join a company of magnificent fighting men. Let me read you a paragraph from the letter written by Admiral Turner from Okinawa:

"All hands are having a tough time here at Okinawa, but we are winning, no matter how slowly it seems. * * * You may have been proud of these Navy boys of ours at Iwo, but you simply can't imagine the eruption of courage and determination and skill they have displayed here at Okinawa. It's a case where the people at the top try to give a little guidance, and then let these grand young fellows we have in the Navy just take charge and do things. Frankly, Mr. Secretary, it's the most thrilling experience anyone could have and I've looked at young naval officers and young naval enlisted men for a good many years. These young fellows are like a pair of runaway horses who have jerked the reins out of your hands!"

Nevertheless, disposing of Japan will not be an easy task. I should like to believe that there is in the Japanese people that "cracking point" which we so often see discussed. I hope there is; but I am mindful of the remark of a correspondent who has been in the Pacific war at Guadalcanal, through Tarawa, Iwo Jima, and Okinawa, that for 39 months he had been watching for signs of what is called the "cracking point" in the Japanese and that he hasn't seen it yet.

I expect that the Japanese will fight with increasing tenacity and fury as our power begins to concentrate on their homeland. We have seen evidences of that fury at Iwo Jima and on Okinawa. It will take the full power of the tremendous war potential that we have mustered in the past 4 years if we are to secure what I take to be the will of this country; the complete, unequivocal, and unconditional surrender of Japanese militarism.

OUR AMERICAN ECONOMY—ARTICLE BY SENATOR WHERRY

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "Our American Economy," written by Senator WHERRY and published in the June issue of Washington News Digest, which appears in the Appendix.]

STATEMENT BY SENATOR MYERS ON PROPOSED INCREASE OF SALARIES OF POSTAL EMPLOYEES

[Mr. MYERS asked and obtained leave to have printed in the RECORD a statement made by him before the Senate Committee on Post Offices and Post Roads in support of H. R. 3035, to increase the salaries of postal employees, which appears in the Appendix.]

CEREMONIES ON OCCASION OF PLACING GERMAN SURRENDER DOCUMENTS ON PUBLIC DISPLAY

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD the proceedings at the ceremonies held in the National Archives Building, Washington, D. C., when the German surrender documents were placed on public display, which appear in the Appendix.]

ADDRESS BY HON. SAMUEL D. JACKSON AT ROOSEVELT MEMORIAL DINNER

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an address delivered by Hon. Samuel D. Jackson at a

Roosevelt memorial dinner held at New Orleans, La., on May 31, 1945, which appears in the Appendix.]

EDITORIAL BY WALLING KEITH ON AUTOBIOGRAPHY OF THE LATE GEORGE W. NORRIS

[Mr. HILL asked and obtained leave to have printed in the RECORD an editorial entitled "The Fear of Poverty" referring to the autobiography of the late Senator George W. Norris, written by Walling Keith and published in the Gadsden (Ala.) Times, which appears in the Appendix.]

EXTENSION OF RECIPROCAL TRADE AGREEMENTS—EDITORIAL COMMENT

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an editorial entitled "Republican Suicide," published in the Washington Daily News of June 9, 1945, and an editorial entitled "Trade and Peace," published in the New York Times of June 11, 1945, both on the subject of the extension of reciprocal trade agreements, which appear in the Appendix.]

COMMITTEE REPORTS ON BRETTON WOODS AGREEMENTS — EDITORIAL FROM NEW YORK HERALD TRIBUNE

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial entitled "Two Committee Reports," relating to the congressional committee reports on the Bretton Woods agreements, published in the New York Herald Tribune of June 11, 1945, which appears in the Appendix.]

TRIBUTE TO FRANKLIN D. ROOSEVELT—ADDRESS BY REV. ALLEN PENDERGRAFT

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by the Reverend Allen Pendergraft, in tribute to the late Franklin D. Roosevelt, which appears in the Appendix.]

WHAT HAS HAPPENED TO THE MEAT?—ARTICLE FROM NEWS WEEK MAGAZINE

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD an article entitled "What Has Happened to the Meat? The Story Behind the Shortages," published in the June 4, 1945, issue of News-week magazine, which appears in the Appendix.]

SHORTAGE OF UNDERWEAR—LETTERS FROM SMITH, FOLLETT & CROWL

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD two letters from Smith, Follett & Crowl, one addressed to him and another addressed to Senator Young, relating to the shortage of civilian underwear, which appear in the Appendix.]

EXTENSION OF PRICE CONTROL—EDITORIAL FROM WASHINGTON POST

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an editorial "Attacking Price Control," published in the Washington Post of June 11, 1945, which appears in the Appendix.]

FISCAL POLICY FOR FULL EMPLOYMENT—EXCERPT FROM ARTICLE BY JOHN H. G. PIERSON

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an excerpt from an article entitled "Fiscal Policy for Full Employment," written by John H. G. Pierson, which appears in the Appendix.]

CHESTER COUNTY PROTESTS SAVED MILK SUBSIDY—ARTICLE IN THE PHILADELPHIA RECORD

[Mr. MYERS asked and obtained leave to have printed in the RECORD an article by

Edwin Kemp, entitled "Chester County Protesters Saved Milk Subsidy," published in the Philadelphia Record of May 5, 1945, which appears in the Appendix.]

THE NEED FOR NATIONAL UNITY— LETTER FROM ALFRED STANLEY

[Mr. DOWNEY asked and obtained leave to have printed in the RECORD a letter addressed to him by Alfred Stanley, dated Okinawa, May 8, relative to the need of national unity, which appears in the Appendix.]

PRICE RESTRICTIONS IN CANADA— ARTICLE BY BILL CUNNINGHAM

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article relating to price restrictions in Canada, written by Bill Cunningham, and published in the Boston Herald, which appears in the Appendix.]

HARRY HOPKINS' VISIT TO MOSCOW

Mr. BRIDGES. Mr. President, official comments as well as press reports and some columnists enthusiastically announced a few days ago that a great victory has been achieved by Mr. Harry Hopkins in Moscow because Marshal Stalin yielded on his hitherto stanch opposition to permit the Security Council of the International Security Organization, now being mapped at San Francisco, to discuss international conflicts which might threaten the peace of the world.

According to the press and radio, even some of our delegates were elated over Mr. Hopkins' victory, and called Marshal Stalin's reversal of his previous attitude a "happy omen" for the outcome of the San Francisco Conference. I read in the newspapers statements made by some Members of this body saying how pleased they were at what had been achieved in the conference held at Moscow. That startled me.

It is important that these misleading statements issued from San Francisco be put in their real light.

From the very beginning of the San Francisco Conference until the fifth week of the United Nations' discussions, there was never brought up the problem of a big power being granted veto power enabling it to stop presentation and discussion of any international situation threatening the peace of the world. What was discussed at San Francisco was a so-called two-point veto program consisting of: First, the right of veto for every one of the Big Five to forbid the use of force against any potential or actual aggressor; second, the right of veto for every one of the Big Five to forbid investigation of conflicts or situations which might endanger the peace of the world.

Reluctantly, a majority of the United Nations accepted point one of this veto formula in view of the fact that all of the Big Five seemed determined to carry that formula through the San Francisco Conference.

As to point two of that veto program, the opposition of the majority of the United Nations grew so strong that some of the Big Five were considering a softening of this rigid and extremely undemocratic rule.

When the legal advisers of the Big Five started drafting a more flexible

formula concerning the investigation of international situations dangerous to the peace of the world, the Soviet delegation stiffened its opposition to any attempts to change this formula and unexpectedly enlarged it so as to make it cover not only the "investigation," but also any "presentation" and "discussion" of international situations which might put the peace of the world in danger.

At this point the remaining Big Four—the United States, Great Britain, China, and France—joined the majority of the other United Nations in opposition to the Soviet interpretation of the veto formula.

Here is where Mr. Hopkins comes into the picture.

He obtained in Moscow only and exclusively the withdrawal of the extended Russian interpretation of the veto formula, but he did not obtain any change of the Russian attitude concerning the two points involved in discussion at San Francisco for the last 6 weeks.

It is obvious that the Soviet Government played an extremely shrewd "horse-trading" game. It raised a third point, an additional one to the two points already contested, and then yielded only on this third one, added only for the reasons of bargaining. That is a smart horse-trading proposition, but it should not fool the American people. As the very conscientious reporter of the New York Times, Mr. James B. Reston, put it in his San Francisco dispatch of June 8th, "of one thing the 'little 45'—meaning the smaller powers—were sure: The veto fight had been conducted—during the last week—on a point they did not even think was an issue, the right of discussion. But so much energy had been wasted on this point that the small nations had very little heart left to continue their fight for what they really wanted—the removal of the veto from decisions to investigate international disputes."

It is obvious that the people of the United States, watching very carefully the San Francisco proceedings, have been hoodwinked by official comments emanating from San Francisco by those who obviously want the American people to believe that a trick played by shrewd Soviet negotiators is a victory for the democratic way of thinking about the future International Security Organization.

The facts are these: First, the right of veto by any of the Big Five—the use of force against aggressors, stands as it stood at Dumbarton Oaks and at Yalta despite the opposition of many of the United Nations and a large portion of the American people; second, the outrageous right to veto by any of the Big Five any investigation of situations threatening the peace of the world stands exactly as the Soviet interpretation of the Yalta voting formula wanted it to stand; and, because of weariness or a feeling of helplessness prevailing now in the ranks of the delegations at San Francisco, and particularly in the ranks of the American delegation, nobody seems to want to challenge that preposterous formula, contenting themselves with praising a victory on an issue which not only was

never raised before but which is even unthinkable to be raised in any non-totalitarian society, namely, the right of free discussion.

The example displayed by the small nations in their efforts to obtain justice and equality for all nations, great and small, with exemptions and privileges for none, is an outstanding example of the earnest desire of the small nations to cooperate in the establishment of a world organization for a permanent peace. This is the type of organization that the American people not only want but were under the impression they were going to get.

It is a great disappointment to a large group of American people that the United States' great weight of influence should not have been thrown with the small nations to obtain this objective. I wish my country were throwing her great weight, her moral support, and her prestige into the cause of equality and justice, rather than weakly giving in on great matters of principle.

I am disappointed that we apparently can get no more perfect a set-up, but I want a world organization for peace, so I shall accept the best we can get out of San Francisco as our only hope. I wish, however, to state very clearly that it is not what the American people wanted. It is not what they expected they were getting. Let us not try to hoodwink the American people as to what is going on in San Francisco today, or what they are getting, because it is very far from their understanding of what they want, the ideal they seek—that of a perfect peace organization.

LEAVE OF ABSENCE

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that I may be excused from attendance at the Senate in order to keep a very important appointment at one of the executive departments.

The PRESIDING OFFICER. Without objection, leave of the Senate is granted.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

The Senate resumed the consideration of the joint resolution (S. J. Res. 30) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the senior Senator from Oklahoma [Mr. THOMAS], which will be stated.

The CHIEF CLERK. It is proposed to add the following new section at the end of the joint resolution:

Sec. 3. That for the purpose of restating and clarifying the policy of Congress with respect to the prices of agricultural commodities as set forth in section 3 of the Emergency Price Control Act of 1942, as amended by section 2 of Public Law 729, Seventy-seventh Congress, approved October 2, 1942, and as further amended by section 201 of the Stabilization Act of 1942, it shall be unlawful to establish or maintain against any processor a maximum price for any major product (applied separately to each major item in the

case of products made in whole or major part from cotton or cotton yarn) resulting from the processing of any agricultural commodity, or maximum prices for the products of any species of livestock (such as cattle, hogs, or sheep) (the products of each species of livestock to be taken as a group in establishing or maintaining such maximum prices) which does or do not equal costs and expenses (including all overhead, administrative, and selling expenses allowed as expense deductions in computing Federal income and excess profits tax liability) incurred in the acquisition of the commodity or species of livestock and in the production and distribution of such product or products plus a reasonable profit thereon, not less than the profit earned thereon by such processor during a representative base period.

The PRESIDENT pro tempore. Under the unanimous-consent agreement each Senator may speak not more than once nor more than 20 minutes on the joint resolution or any motion or amendment thereto.

Mr. LUCAS obtained the floor.

Mr. CAPPER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CAPPER. Mr. President, I wish to state, as briefly and concisely as I can, my reasons for supporting the pending Thomas amendment, offered by the senior Senator from Oklahoma [Mr. THOMAS] to the pending joint resolution proposing to extend the life of the Price Control and Stabilization Acts for another 12 months. I shall confine my remarks primarily to the Thomas amendment, dealing with prices of agricultural commodities and products processed from agricultural commodities.

In the first place, Congress established the Office of Price Administration to control prices for the purposes of preventing run-away inflation and at the same time to stimulate production. Congress never intended, in my judgment, that OPA should have the function of controlling profits. The OPA was established for price-control, not profit-control, purposes.

Congress did write into the original Price Control Act, and later tried several times to make it effective through amendments to the act, a provision intended to prohibit the OPA from fixing prices below specified levels for farm commodities. Furthermore, Congress attempted to direct the OPA to allow equitable margins for processors and handlers of products made from farm commodities at the different levels.

Patently those directions and prohibitions have not been observed by the Office of Price Administration.

Right here in the District of Columbia, if my information is correct, there used to be four slaughterhouses engaged in meat production. Today they are closed down. I cannot believe those small packers have closed down because they wanted to interfere with the war effort. They did not close down because there are no cattle or hogs to be slaughtered. They did not close down because there is no demand for beef and pork in Washington. I cannot conceive of their being closed down to spite the Government, or even the OPA.

My own, and only, conclusion can be that they closed down because they were compelled by OPA regulations and price

levels to operate at a loss ratio so large that it would bankrupt them to continue in business. That is not the way to get food production. There seem to be plenty of similar instances in other lines throughout the country.

The Thomas amendment simply reiterates and clarifies the intent of Congress that it shall be unlawful to establish or maintain against any processor of farm commodities a maximum price for any major project which does not equal all costs and expenses, plus a reasonable profit thereon.

Mr. Chester Bowles, the Administrator of OPA—a fine man—has issued a press release stating that adoption of this amendment and the Taft amendment would in effect end attempts at price control. But almost at the same time Mr. Bowles writes a letter to the Senator from Oklahoma [Mr. THOMAS], chairman of the Senate Committee on Agriculture and Forestry, of which I am a member, in which Mr. Bowles says:

Recognizing the critical shortage of meat and the imperative need of avoiding any impediment to maximum production and even distribution, this Office . . . will see that the products of each of the three main groups in livestock—cattle and calves, hogs, and lambs and sheep—are each, separately considered, on a profitable basis.

To the fullest practicable extent the Office will see that each of these groups of products is separately profitable at all times, regardless of live animals prices. It will in all events see that each group is separately profitable on an annual basis.

It seems to me, Mr. President, that if we are to take Mr. Bowles' letter in good faith, he cannot logically object to Congress enacting a law to the same effect. If he had not used that escalator clause, "to the fullest extent practicable," I might be willing to vote simply to extend the act, leaving it to Mr. Bowles to insure the producers and processors production costs, plus a reasonable profit, while price controls continue to be exercised. But as he did include that clause in his letter, I think Congress had better stipulate in the law what it is intended for the OPA to do.

Mr. LUCAS. Mr. President, I am operating against a time limitation. I did not yield to the Senator from Kansas to make a long speech.

Mr. CAPPER. I shall be through in a moment.

It is perfectly plain, from testimony before the Senate Committee on Agriculture and Forestry and also the Committee on Banking and Currency, that the OPA has established prices which required production at a loss, through various formulas on "industry as a whole" and so forth.

It is also understood, and has been announced, that for reconversion the OPA intends to establish retail prices on manufactured articles at 1942, sometimes 1941, price levels, regardless of increases in production costs since that time. True, the OPA also announces that individual concerns can come to OPA, make a showing of losses under the price levels established, and ask for relief.

Mr. President, I am fearful of the effect of such a policy upon reconversion. If a businessman, or one who intends to go into business, knows that his prices

will be 1942 prices, and production costs may be 10, 20, or 30 percent higher than in 1942, he is going to hesitate about going into that business. Of course, some serviceman without experience, might borrow money and go into a small business without realizing that the OPA price ceilings preclude the possibility of his making a profit.

I do not contend that it is the business of government to guarantee that every business may be conducted at a profit, but I do contend that it is not the province of government to fix prices at levels which prevent those doing business under them operating at a profit.

Mr. President, as I see it, the OPA has put the Congress on notice that it intends to establish prices for the reconversion period at levels which, to understate the case, will discourage persons who know anything about business operations from going into business.

We are not going to get maximum production and full employment that way. If the 1942 and 1941 retail price levels are established, there is likely to be a time lag in reconversion that could give us the anomaly of a depression, while the people of the country need a hundred billion dollars' worth of goods, services, materials, and construction, and have a hundred billion dollars or so of savings with which to pay.

Would not that be something to brag about?

I shall support the Thomas amendment.

Mr. LUCAS. Mr. President—

Mr. TAFT. Mr. President, I ask unanimous consent that the time of the Senator from Illinois start beginning now.

The PRESIDENT pro tempore. Without objection, it is so ordered, because that is absolutely fair.

Mr. LUCAS. I thank the Senator from Ohio.

Mr. President, I rise in the Senate in opposition to the Thomas and Taft amendments, which are the pending measures before this legislative body. I think it is important that the Senate see in their proper setting the proposals of the Senator from Ohio and the Senator from Oklahoma for amendment of the price-control legislation.

Mr. President, I shall discuss primarily the question of inflation, as I view it, in the event these two amendments become the law. For the last 3 years I have constantly talked about inflation, primarily because of what I saw happen to this country during the last war when we had runaway prices in every direction.

We have, during this war, created the greatest inflationary pressures in the history of the Nation. The war has cost to date, \$290,000,000,000. Forty-six percent of everything produced has gone off to war, leaving the money paid for this production competing in the market for the 54 percent of all goods remaining for civilian purchase. Every month the public has received \$3,000,000,000 more in income, after taxes, than the value of goods and service available for purchase. These savings have mounted month by month until they now total \$113,000,000,000, of which sum only \$27,000,000,000 is in Series E bonds. By the end of the year the public's savings since Pearl Harbor

will total \$1,000 for every man, woman, and child in the Nation. Remember that the greatest prewar national income of all the people in the Nation was only eighty-four billion—or thirty-four billion less than the public's savings up to this time—and it becomes apparent how great is the inflationary pressure which is loose in this land.

Look also at currency. At the start of the war in Europe we had \$7,200,000,000 in circulation. Today we have more than three times as much, or \$25,000,000,000.

Look at the other form of money—balances in checking accounts in banks. At the start of the war these totaled \$27,000,000,000. They now total \$71,000,000,000. They have been multiplied more than three times.

In the last war the gain in currency and checking accounts taken together totaled \$10,000,000,000. This time the gain is \$61,000,000,000, or six times as much.

In the last war's inflation living costs rose 94.4 percent, with relatively weak inflationary pressures. In this war, in a like period, with far more powerful inflationary pressures, living costs have risen only 28.6 percent or one-third as much.

Mr. President, if we discard the inflationary controls which are now the law of the land, even if we just begin to tamper with the price control set-up in an attempt to do something for some individual, some particular industry, or some processor, as would be done under the Thomas amendment, or for practically all industries of every kind, as would be done under the Taft amendment, we shall be bound to turn loose the inflationary pressures, and when this huge amount of money starts turning over in this country, then in my humble opinion our economic balance will be lost.

Now, on the brink of this explosive economy, the Senator from Ohio and the Senator from Oklahoma propose to throw in two lighted firebrands to set off the inflationary dynamite. In whose interest is it being done? Supposedly it is done to save businesses from hardships. What businesses?

The Senator from Ohio is seeking to remove hardships from manufacturing businesses which, as a group, are earning, before taxes, 250 percent more than they earned before the war.

The Senator from Oklahoma is aiming to provide relief for food processors who are earning 190 percent more than they earned before the war.

The Senator from Ohio is also aiming to provide relief for department stores which, according to their own published figures, are earning 10 times their prewar earnings.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. I have requested the Senator to yield to me only so that I may point out that department stores are not covered by my amendment. My amendment covers only processors and manufacturers.

Mr. LUCAS. I was under the impression that department stores were covered under the Senator's amendment; I

thought every industry was covered under it.

Mr. TAFT. Only processors, manufacturers, and mining companies are covered under my amendment.

Mr. LUCAS. Then my statement made with respect to department stores does not apply, if the Senator's amendment does not cover them.

The answer, of course, will be that while business as a whole is doing exceedingly well, many are suffering hardship. Where is the evidence? As I said the other day in colloquy with the distinguished junior Senator from Louisiana, and I repeat it now, Dun & Bradstreet in 1944 recorded only 1,222 business failures. The number in 1939 was 14,700. The number in the great boom year 1929 was 22,900. What is the evidence of hardship?

The plain unvarnished truth is that never before in the history of the Nation has there been so little business hardship as there is right now. Of course, there are a few inefficient operators who are not making money. But are we, in the midst of the most explosive economy in our history, going to guarantee every concern in the United States a profit on every product? If we are, we shall be legislating inflation instead of protecting the Nation against it. That is virtually what these two amendments would do.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LUCAS. I am glad to yield to my friend, the Senator from Arkansas.

Mr. FULBRIGHT. Does the Senator happen to know what percentage of our business operates at a loss in normal times? Is it not true that a substantial number operate at a loss as a normal matter in peacetime operations?

Mr. LUCAS. The Senator is correct, and I just quoted figures on failures from Dun & Bradstreet, which is the best evidence of the number of businesses which operate at a loss in normal times. But in this crisis, when everyone in this country is making a profit, they want to remove, through these amendments, the controls, so that they can make more money. That is the truth of the matter. When these individuals make more money, the consuming public will be the ones who will suffer as a result of abandoning the inflationary controls.

The Senator from Oklahoma in his aid to food processors would make it appear that he is acting in the interest of the farmers of the United States. He wants to assure them parity, as he said in one statement.

Mr. President, the fact is that farmers, on all the goods they produce, are getting 116 percent of parity, and they have been getting it. I live in the heart of the Corn Belt section of Illinois. I own farmlands, Mr. President. As a landlord, I have made more money during the last 5 years than I have in any other previous 5 years in my operation as a landowner; and what is true with me is also true with every other farmer, regardless of the section of the country in which he lives. Today hogs are selling at 112 percent of parity; beef cattle are selling at 138 percent of parity;

veal is selling at 119 percent of parity; lambs are selling at 133 percent of parity.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to my distinguished friend the Senator from Wyoming.

Mr. ROBERTSON. I should like to ask the distinguished Senator from Illinois whether in using the term "farmer" he includes the stock producer?

Mr. LUCAS. Yes; certainly.

Mr. ROBERTSON. Then I must take issue with the Senator.

Mr. LUCAS. Very well; I will read the Senator the figures supplied by the Department of Agriculture. I know what the Senator is driving at, but I do not see how the formula which is being laid down under the Thomas amendment will help the Senator's position in Wyoming, as a cattle raiser. Here are the facts—first, for the average value for calves and cattle from 1935 to 1939. Those who raised calves and cattle were fairly well off at that time; they were getting along fairly well from 1935 to 1939, as compared to the dark days around 1931, 1932, and 1933. In my opinion, every farmer was rather happy. Here is the average figure for that time: Calves and cattle, \$1,173,000,000; hogs, \$856,000,000; sheep and lambs, \$166,000,000; a total average at that time of \$2,195,000,000.

In 1940 the cash value of calves and cattle was \$1,381,000,000; in 1941, \$1,718,000,000; in 1942, the total value produced and sold was \$2,293,000,000; in 1943, \$2,581,000,000; in 1944, \$2,607,000,000, which was the highest at any time on record, in cash value, received by producers of cattle and calves.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ROBERTSON. I assume that the figures which the Senator has given represent gross receipts.

Mr. LUCAS. Certainly.

Mr. ROBERTSON. They do not take into consideration the cost of production at all.

Mr. LUCAS. The cost of production on the farm has, of course, increased, as it has in other industries. However, the evidence before this body is that last year the farmers produced the greatest crops on record with one-third the former labor. That applies to the Senator from Wyoming, as well as to any other producer in the country. The Senator is not suffering much because of the price he has received for his cattle.

Mr. ROBERTSON. The wages paid to labor in the stock-raising sections of the country have increased from 100 percent to 200 percent.

Mr. LUCAS. It may be that the cost of labor employed by the Senator has increased more on the range than in other localities, but, notwithstanding that fact, the Senator is in a better financial position at this moment than he has ever been in his whole life, and I am sure he will not hesitate to admit to that fact.

Mr. ROBERTSON. I certainly take issue with the Senator.

Mr. LUCAS. I should like to go into the matter with him personally.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Does the Senator feed any cattle?

Mr. LUCAS. No.

Mr. WHERRY. Does the Senator feed any hogs?

Mr. LUCAS. Yes; I have fed some hogs, but I hope the Senator will not start talking with me about feeding cattle.

Mr. WHERRY. I merely wish to ask the distinguished Senator a question. I want to ask him how much he paid to the feeders, and how much he made on the cattle?

Mr. LUCAS. I know that the Senator will talk about feeding cattle all day long if I only give him a chance to do so. He is a cattle feeder, he loves the cattle, and he loves to make a profit on them. The subject about which he talks chiefly on the floor of the Senate is that of feeding of cattle.

Mr. WHERRY. Inasmuch as the Senator from Illinois does not feed any cattle, and cannot speak from personal experience with regard to that subject, it is hardly fair for him to say that farmers and cattle raisers are making money.

Mr. LUCAS. As a whole, the Senator knows that the farmer is better off today than he has ever been. The Senator continually talks about feeding cattle. But I am looking at the over-all picture. I can get my perspective above the cattle pen during this great national crisis.

Mr. WHERRY. I thank the Senator for allowing me to interrupt him, and I will speak later upon the subject in my own time.

Mr. LUCAS. Very well.

Mr. President, I wish to submit some figures with regard to hogs.

The average value of hogs from 1935 to 1939 was \$356,000,000; in 1940, \$836,000,000; in 1941, \$1,302,000,000; in 1942, \$2,191,000,000; in 1943, \$2,942,000,000; and in 1944, \$2,796,000,000.

The years which I have given include the period with reference to which complaints have been made that the farmer who produces hogs was having trouble in making a profit and in getting a market for them. Why, Mr. President, it is the most nonsensical argument I have ever heard.

We have repeatedly heard Senators condemn the OPA. The attempt has been made to use the United States Senate as a political sounding board for attacks on OPA, and the attempts to vilify the OPA throughout the country have constantly been in the form of political sniping at an agency of the Government which has had one of the most difficult jobs of all agencies in administering an act of Congress. As a matter of fact, there are Members of the Senate who wish to break down price control. They are willing to give it lip service and say that they want it to continue in effect, but the Thomas amendment and the Taft amendment if adopted would be the beginning of the end of price control.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. PEPPER. I wish to ask the able Senator from Illinois if it is not his

understanding that the amount of spendable money in the hands of the people has not increased from approximately \$6,000,000,000, at the beginning of the war, to about \$28,000,000,000 at the present time, and if the national debt has not increased from less than \$35,000,000,000 to \$240,000,000,000, and also if it is not one of the marvels of governmental accomplishment that with such currency expansion and such credit expansion there has been only approximately a 50 percent increase in the cost of living, by maximum estimates, due principally to the OPA's administration?

Mr. LUCAS. My understanding is in accordance with the Senator's question. I may say further to him that I went into that subject at the beginning of my remarks before he came into the Chamber. The figures which I have used were furnished to me by authoritative governmental sources in Washington.

Mr. President, there has been a great deal of talk about sheep and lambs, and it has been said that the producers of sheep and lambs have been tremendously injured by the OPA. Perhaps some slight injury may have occurred. No one who becomes subject to rules and regulations of the Government remains long uninjured. The Senator from Florida is being injured as a result of such rules and regulations. Every other Senator is, as well. However, we must look at the over-all picture. We must remember we are in the most costly and devastating war in all history.

The average value of sheep and lambs produced in the period of 1935 to 1939 was \$166,000,000; 1940, \$180,000,000; 1941, \$227,000,000; 1942, \$307,000,000; 1943, \$342,000,000; in 1944, \$302,000,000.

The cash value has increased each year.

In 1940 the total was \$2,397,000,000; 1941, \$3,247,000,000; 1942, \$4,791,000,000; in 1943, \$5,865,000,000; in 1944, \$5,705,000,000, or an increase in average percent of 1944 over the period 1935 to 1939 on calves and cattle, of 122 percent; on hogs, 228 percent; and on sheep and lambs, 82 percent. The total average was 160 percent.

Mr. President, when anyone says that this is a measure benefitting the farmer, the figures do not bear out the statement. The truth of the matter is that both the American Farm Bureau and the Farmers Union are definitely on record as being opposed to the Thomas amendment and the Taft amendment because they realize that the farmer as a part of society will have to bear his share of the increased cost of commodities which he must buy.

This is the same kind of legislation as that which we passed last year to assure parity to the cotton farmers. What we did was not to bring cotton to parity, but to provide a hand-out to textile mills, whose earnings already were five times their prewar earnings.

Lest any Senator think that inflationary dangers are over, now that the war in Europe is ended, let us note that after all presently contemplated cut-backs the Jap war alone will cost more than twice the total cost of World War I, which brought such ruinous inflation. The rate of expenditure for the Japanese war

will be twice the rate of expenditure in January 1942, when Congress passed the Price Control Act to protect the Nation against inflation. With vastly greater inflationary pressures now, are we going to let down the bars and turn inflation loose upon the country?

We are to pass this legislation supposedly in the interest of business and farmers. Before doing so, should we not consider what happened to business and farmers in the price collapse that followed the inflation of the last war?

In 2 years corporation profits fell from earnings of \$6,400,000,000 to losses of \$55,000,000. And in the next 5 years 106,000 businesses went bankrupt. Remember that only 1,222 failed last year.

Will business benefit if we break stabilization by adopting these amendments and turning inflation loose upon the country? When collapse came, the very businesses it is sought to help—the high-cost inefficient producers—would be the first to go under.

Farm prices after the last war fell from 32 to 85 percent. Average farm income dropped from \$1,360 to \$460 a year. And in the next 5 years 453,000 farmers lost their homes and jobs—their farms—through mortgage foreclosures, and it was caused by the inflation that took place immediately following that war. Everyone who is familiar with what happened in those years knows that the farmer who after working practically all his life and had taken from the soil some fifteen or eighteen or twenty thousand dollars and laid it aside, always wanted the 160 acres next to his farm. Finally, in that great boom year, when land in my section of the country was selling for from \$300 to \$600 an acre, he went ahead and mortgaged the 160 acres he owned in order to buy the adjacent 160 acres and mortgaged that, too, in order to own the 320 acres. When the great collapse came he was one of the individuals who went down with it. He not only lost the 160 additional acres he had bought, but he lost the 160 acres that he had toiled for during the heat of the burning suns and cold of the winters over a period of from 15 to 20 years.

That is what I have in mind today. The farmer in my section of the country is better off than at any time in his history. I want to protect him. I do not want him to go through the same series of bank crashes, foreclosures of mortgages, bankruptcies, and all the suffering that he had to undergo back in the period from 1931 to 1934 and 1935. I was there and I saw it all. I was in the bankruptcy courts one after another for clients of mine. I was attorney for the receivers of some 15 banks in my section of the country that went down as a result of that crash.

The PRESIDING OFFICER (Mr. McMahon in the chair). The time of the Senator from Illinois on the amendment has expired.

Mr. LUCAS. Mr. President, I will take 20 minutes on the bill.

In arguing for his amendment a few days ago the Senator from Oklahoma [Mr. THOMAS] sought to establish the fact that Congress had placed restrictions upon ceiling prices for farm products, but that OPA had wilfully disre-

garded them. Later, he included the Emergency Court of Appeals in the conspiracy to evade the clear purposes of Congress. Finally, he included the Supreme Court of the United States. It seems to me that if OPA, the Emergency Court of Appeals, and the Supreme Court agree on the meaning of legislation passed by Congress and the Senator from Oklahoma stands on the other side, the chances are that the Senator is wrong. At least, it always has been the American way for the Supreme Court to interpret the meaning of our laws. It may be that the Supreme Court and the Emergency Court of appeals were wrong. Maybe Congress did not intend what the Supreme Court said it intended, but, after all, we must follow the Court. If we do not like its decisions we can change the rules, but this amendment does not change the rules with respect to the decision handed down by the Supreme Court.

The Senator from Oklahoma made it appear that in fixing ceiling prices OPA threw out any allowance for overhead and selling expense, and that the Supreme Court upheld that interpretation. The fact is that OPA never considers costs unless an industry says that ceiling prices are inadequate. In that case it assures an industry its prewar profits. It writes a floor under profits at the prewar level. But the pending amendment proposes to fix ceiling prices for all articles produced by all industry; that is the truth of the matter.

If an industry making multiple products is earning at least its prewar profits but costs of individual items have risen and the industry claims it is losing money on individual items or groups of items, OPA raises prices to assure the industry at least its out-of-pocket costs on such items. Out-of-pocket costs do not include overhead or sales costs.

My distinguished friend from Oklahoma, great chairman of the Committee on Agriculture and Forestry, should have explained to the Congress that whenever an individual product was not given a price covering all costs the industry overall was earning at least its peacetime profits.

He said:

I do not understand how an organization could live unless it included in its costs both administrative and selling expenses.

It could live when such costs were not included for every individual item, because at all times the industry of which it is a part is guaranteed at least its peacetime profits.

These facts, however, are details. The main fact is that we are sitting on a keg of economic dynamite and it is no time to start smoking when one is sitting on a dynamite keg. I trust that the Senate will defeat this vicious proposal to cure the least amount of business hardship in the Nation's history, at the expense of the Nation itself and its 130,000,000 of people.

Let us not be misled. There is no such thing, in the face of these terrific inflationary pressures, as "controlled inflation," for one man's price increase becomes another man's cost.

That is what the Senator from Ohio [Mr. Taft] was saying the other day. He contends that inflation can be controlled. Mr. President, if this price control law is broken even by 10 percent, there will never be any way of controlling prices, but that is what it is proposed to do under the Thomas and Taft amendments. Increases in living costs, translated into wage increases, start the circle of increases all over again. There is only one safe course. That is to continue to hold the line unflinchingly. The prosperity and happiness of the American people for the next 10 years depends upon our decision.

Mr. President, in conclusion let me say that if the Thomas and Taft amendments become the law of the land, the farmer and the rest of the consuming public are the ones who will receive the injury. They are the ones who will be compelled to pay the increased cost that will result from these proposals.

If I were the Administrator of the OPA and administering an act which made it unlawful for me not to do certain things, certainly no money would ever be paid to any processor or industry affected by the law until I had before me a verified statement with respect to the actual costs of each individual, industry, or processor involved. That means an army of accountants would be necessary to obtain this information. That means delay. That means confusion. That means the beginning of the end of the Price Control Act.

Mr. President, referring to the subject of accountants to handle these different transactions, it was stated by the Secretary of War in a Finance Committee some time ago that if the war were to terminate at that time, it would take all the accountants in the world 15 years to analyze and examine the accounts of the contractors and subcontractors. That is the testimony. In other words, a businesslike examination is impossible. It would be necessary to have men of good judgment and high patriotism to make more or less arbitrary decisions, because there are not a sufficient number of accountants available to do the work. Under the present amendment it would take an army of accountants to do the job. I care not what the authors of this amendment may say with respect to the information which is now on hand with the OPA; the OPA must be the judge. They are the ones who are administering the law; they are the ones who have to obtain the information, and if I were the administrator I would not budge until I had the information.

As was said by Mr. Bowles, the only other alternative is to give every firm a formula for figuring its own costs, profits, and prices. Obviously, each firm would have a different price, a different set of costs, and different profits upon different items. These factors would change from time to time. It would be absolutely impossible to enforce the law, the result being that such an arrangement would produce conditions upon which the time-serving trimmer would thrive and prosper. The cost-plus feature is an invitation to every producer and manufacturer

to play fast and loose with the costs involved. It makes but little difference, as Uncle Sam is paying the bill. Cheating under this kind of an arrangement would become so artistic and refined that the public would ultimately look upon it as a noble profession. Chiselers would become so numerous that they would be compelled to wear a badge of identification in order to keep from gouging one another.

Mr. President, this is not even a noble experiment. The legislation proposed by the Thomas and Taft amendments is pure folly. It is utterly injudicious; it is a downright asinine, cockeyed, bewildering, irrational piece of stupidity.

Mr. President, in the last few years I have heard some of my Republican brethren severely criticize this administration. They are doing so today as they fight for these indefensible amendments. The critics have charged that we are building a superstate. They, too, contend that the Democrats in power would be leading the Nation into a pitfall of socialism. They have charged the New Deal with creating a sprawling bureaucracy that threatened the free way of life. They have constantly condemned regimentation and bureaucratic interference into the business life of the citizens of this country. Yet the two amendments now pending will submit the businessman to more red tape, more indignity, and more bureaucratic control than any two amendments which have been presented to the Congress since I have been a Member of this legislative body.

It will not be very long until those who are now acclaiming these amendments as the panacea for all of the OPA evils will be using the Senate floor as a sounding board in their criticism of this agency of Government for interfering with the business of American men as they honestly attempt to administer this legislative monstrosity.

Mr. BUSHFIELD. Mr. President, I understand there is a time limit of 20 minutes. Is that correct?

The PRESIDING OFFICER (Mr. Downey in the chair). The Senator is correct.

Mr. BUSHFIELD. On each amendment to the joint resolution itself, or as a whole?

The PRESIDING OFFICER. On each amendment, and on the joint resolution.

Mr. BUSHFIELD. Mr. President, I have enjoyed the remarks of the distinguished Senator from Illinois [Mr. Lucas]. I know he spent a great deal of time in the preparation of his address, and I compliment him on it, although I do not agree with him in anything he has said.

Mr. President, what is called a spiral of inflation, about which we have heard so much in recent weeks, has become in the minds of some almost a fetish; they bow down and worship it. The facts do not warrant the charge that there is or ever will be a spiral of inflation under existing conditions.

It is said we will have inflation. We already have inflation. I have in my hand the monthly digest of the Department of Labor, which says that there is an increase in the price of foods at the

present moment of 56.7 percent. There are price increases, in the case of many other things, but I refer only to that because I intend to direct my remarks largely to that subject.

Mr. President, the Emergency Price Control Act was passed in 1942. Under the law Congress directed that three things be done, and three things only. The Office of Price Administration was to stabilize prices, it was to provide for fair and equitable wages, and was to provide for cost of production. Those were the only things mentioned in the law. That is the only direction Congress gave, but that is the limitation, or was intended to be, to those who were to administer the Emergency Price Control Act.

Yet we have gone far afield from what Congress had in mind when the law was enacted. We have an army of people on the Federal pay roll to enforce price control, and what has been referred to by many as profit control, when Congress did not mention the word profit at all in the law, was not concerned with it when it enacted the law, and did not issue any directive to the executive departments in connection with profits.

Mr. President, I spent some 6 or 8 weeks, as a member of the Committee on Agriculture and Forestry, attempting to ascertain what could be learned about the meat situation primarily. We investigated as thoroughly as we could, with the means we had at hand, and we did obtain a great deal of valuable information for the Senate and for the people of the country. During the hearings I said to Mr. Brownlee, who is the Deputy Administrator for Price of the Office of Price Administration, that the question of maldistribution was the important consideration rather than any other item he had mentioned in his testimony, and he largely admitted my statement to be correct. I have a mimeograph statement in connection with a letter from Mr. Bowles, head of Price Administration, in which he again corroborated what I charged in the beginning about maldistribution. He said:

The basic cause of maldistribution of meat during the last few months lies in the substantial growth of the amount of livestock being slaughtered in nonfederally inspected slaughterhouses.

I do not entirely agree with Mr. Bowles as to the reason for the maldistribution, but he says, in this statement which he has issued within the last 3 days, that maldistribution is the difficulty.

No other agency of the Government has any control of distribution of food products, and especially of meat, except OPA. At the present time they determine everything in connection with food in this country in collaboration with the War Food Administration. They are the final word. Yet, if the difficulty about meat in Washington and other metropolitan centers is due to maldistribution, who is responsible for it? There is only one agency possibly responsible, and that is the OPA itself.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BUSHFIELD. I yield.

Mr. SHIPSTEAD. Is it not a fact that maldistribution is due to the shortage of production?

Mr. BUSHFIELD. No; I cannot agree with the Senator in that respect, because there is no shortage of production in the case of meat. The records have substantially proved that to be so.

Mr. SHIPSTEAD. Why do we not get meat?

Mr. BUSHFIELD. Lack of proper distribution is the cause of our not getting meat.

Mr. SHIPSTEAD. Does the Senator mean to say that those who get most of the meat eat more meat than is good for them?

Mr. BUSHFIELD. No; I do not mean that. I mean that OPA is responsible for the manner in which meat is distributed in the metropolitan centers.

Mr. SHIPSTEAD. Is it not due to the black market?

Mr. BUSHFIELD. What caused the black market?

Mr. SHIPSTEAD. Shortage.

Mr. BUSHFIELD. No, absolutely not. The Senator is mistaken about that.

Mr. SHIPSTEAD. I disagree with the Senator.

Mr. BUSHFIELD. The black market is caused by the regulations and rules of the OPA, and nothing else.

Mr. TAFT. Mr. President, will the Senator from South Dakota yield?

Mr. BUSHFIELD. I yield.

Mr. TAFT. I wish to call attention to one thing which reinforces the Senator's argument. The OPA says that there is available today 70 percent of the meat of normal times for the civilian population. Yet 3 weeks ago the commissioner of markets in New York City stated that meat, both from the black market and all other meat in New York City, amounted to only 10 percent of the amount of meat which had been available to the civilian population of New York City before that time. That cannot indicate anything except gross inefficiency. Of course, it starts from shortage, as the Senator from Minnesota says, but if proper and reasonable control were enforced under which legitimate operators in the industry could work with the Food Administration and not have to close their doors there is no reason in the world why there should not be a fair distribution of meat in the cities, as well as in the rural districts.

I wish to call one other thing to the attention of the Senator in connection with this matter of distribution. I was called today from Albany, N. Y., and was informed that it is not possible to get any potatoes in Albany. The dealers there bought their potatoes on the Eastern Shore of Virginia year after year, and this year they got only 40 percent of their potato supply, because down on the Eastern Shore, it is said the regular people cannot ship because trucks are coming in and buying the potatoes on the black market, and instead of paying \$3.04 a bushel, which is the ceiling price, paying \$4 or \$5, and carting off the potatoes, so that the legitimate operators in potatoes are developing a tremendous shortage throughout the United States.

The character of control which the OPA has put into effect is resulting in a complete break-down. The industry cannot cooperate with the OPA under the circumstances because those administering OPA have not the ordinary business instincts and common sense to put in the proper kind of control which would be effective.

Mr. BUSHFIELD. I thank the Senator from Ohio for his contribution. There was comment a while ago about what the OPA had done with regard to keeping control of rising prices. It has not kept control of prices of food products; it has not kept control of farm labor, which is up from 250 to 300 percent above what it was before the war started.

It has done something else, however, which is most interesting, Mr. President. From one end of the country to the other it has inaugurated a program which seems—and I say "seems" because I do not know what is behind the administration of OPA—which seems to indicate that they do everything possible to irritate and anger the people of the country, when they could just as well do things in another way without accomplishing such a result. I think that is what OPA probably is to be blamed for as much as anything else.

Mr. President, I have on my desk the file of a case in the District Court of the United States for the District of Columbia, which is as good a case as any to use to illustrate what I have in mind. Two partners operating a grocery store in the city of Washington were visited by two OPA operators a short time ago. I have never been in the store in question. I do not know the proprietors, or know anything about them. They were charged by the OPA operators with making an overcharge on a handful of small items, the overcharge being a cent or two and the total amounting to \$1.96. Remember, Senators, the total amount of the violation or overcharge for which these grocers were held responsible and for which a charge was lodged against them, was \$1.96. Can Senators imagine what OPA did to those two little grocers by reason of that \$1.96 overcharge or violation? The two were fined \$1,200. They were told to cash in, and if they did not do so immediately they faced a term in the District jail.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BUSHFIELD. I yield.

Mr. HICKENLOOPER. May I pass on to the Senate an example that happened in the town of Toledo, Iowa, on the 10th day of April last? An OPA investigator walked into a small branch grocery store which was being operated by a "green" manager; that is, a manager who had had no experience except about 2 weeks in managing a grocery store. The investigator picked three items from the shelves of the branch grocery store. All three, he said, were overpriced 1 cent. They were 7-, 8-, or 9-cent articles. The OPA investigator told the manager that he would have to settle then and there for \$25 per item because the three items were overpriced on the shelves 1 cent each. The investigator had no sales

charged against the man. The only charge of violation was that the items were overpriced on the shelves. The manager telephoned his employer at another town and was told that the articles in question were priced properly upon the shelves. The OPA investigator said, "No; here is a bulletin which shows that since the 1st of April the price was dropped 1 cent on each of these articles."

The fact developed later that that bulletin from the OPA district office had not been mailed until the 9th day of April, and had not reached the grocery store at the time of the incident, but the manager was threatened with the assessment of \$25 by reason of not complying with a price change which he knew nothing about, since the bulletin had not been in his hands.

Mr. President, I reported that case to OPA and sent the correspondence to OPA sometime the latter part of April. I have had no report on the case from OPA since that time. I take the word of the very reputable merchant who wrote out the full circumstances, and particularly that the fact that the OPA bulletin had not been mailed from the district office until the 9th of April went without dispute.

Mr. BUSHFIELD. I thank the Senator from Iowa for his contribution.

Mr. President, there are similar instances, multiplied many times, throughout the country, some of them within my own State. What the Senator from Iowa has just said reminds me of a case at the little town of Centerville, S. Dak. A man operates a large food market in that town. He is the president of the board of education of the town. He is a member of the War Food Board of the county. He is an important local individual. But he was an orphan Norwegian boy who came to America 20 or 25 years ago and made his own way, as many other immigrants have done, without help from anybody, and became the proprietor of this food store in the little town I have mentioned. He was visited by members of the OPA. After having made an examination of his store they told him that he had one of the best kept stores it had been their privilege to investigate.

As we usually do in my section of the country, he went home for his lunch at noon. He left word at the store that he would like to meet these men at the store on his return from lunch, as he wanted to ask them some questions. So they waited for him to return after the lunch hour. When he came back they were at the store. They began finding fault with some of the prices of food items on the shelves, as they did in the case to which the Senator from Iowa referred. They contended he was overcharging on four or five items on the shelves. He brought out his invoices as well as the OPA regulations and showed the OPA investigators that they were wrong.

They finally devoted the afternoon to an examination of the store, apparently resenting the fact that the proprietor was within his rights and that they were mistaken. They searched the store carefully and found three items upon which there were small overcharges of

a cent or two. The men left, and the following Thursday or Friday evening the proprietor was notified to appear at Parker, the county seat of the county, for a special hearing on the charge of violation of OPA regulations. The owner of the store protested and said, "That is the night of our high-school commencement exercises. I am chairman of the board, and I give out the diplomas to the graduates of our high school. For years I have sat on the platform directing the commencement exercises." With their usual neglect of public feeling, OPA said to this grocery store proprietor, "You be at the county seat where we told you to be, at the hour we told you to be there, regardless of the commencement exercises or anything else." And for the first time in several years this food distributor had to desert the commencement exercises of the high school and go to the county seat.

When he got there he was kept waiting for some time. Finally he was taken into an inner room and a young lady in the room said, "I will give you 15 minutes to defend yourself." The food proprietor told his story as well as he could. He was told to leave the room, and in 10 minutes was called back and the young lady said, "You are fined \$25 unless you want to pay back to every customer who has been in your store and purchased one of these three items the amount of the overcharge plus half again that amount." Manifestly the proprietor could not find all the people who had bought the items in question. He settled on a cash basis. He had to pay the \$25 before he left.

Mr. President, I refer to this case somewhat at length because this man was chairman of the school board of his home town. He held a position of honor and trust in the town. He was to present the diplomas to the graduates of the high school that night. He was humiliated before his home community beyond any reason or any excuse by little, pipsqueak OPA hirelings; he was publicly advertised in the community as being a law violator when there was no excuse for doing so.

That is one reason why I say that OPA goes out of its way to hurt people, to annoy people, and humiliate them in their home communities, for in this case there was not one word in the charges filed by the OPA men that there was anything willful, anything vicious, or anything criminal in this man's activities.

I have another case, Mr. President—

The PRESIDING OFFICER. The Senator's time on the amendment has expired.

Mr. BUSHFIELD. I will take time on the joint resolution.

In the town of Deadwood, S. Dak., is a grocer who purchases supplies in considerable quantities when he can. In this particular case he did so. A couple of visitors from the OPA came his store, and he was told that he had purchased more canned goods than he was entitled to under the points which he was allowed. This is the story, Mr. President: The town of Deadwood, S. Dak.,

is about midway between the Atlantic and Pacific coasts. There are no canneries located there, and there are no large wholesale houses handling canned goods. This man wanted to buy canned goods for his store. But this peculiar factor entered into the situation:

The ODT, which has charge of our transportation facilities, said, "You cannot have a car of goods shipped into Deadwood, S. Dak., unless it is a 65,000-pound car." The OPA said, "You cannot ship canned goods into Deadwood, S. Dak., unless you have the points necessary for them, and you have only a certain number of points every 30 days." So this grocer could either do without the canned goods entirely, because he could ship in only a 65,000-pound car, or he could bring them in and hope that the OPA would let him turn in his points for the next month to make up the deficit.

The grocer was charged by the OPA with a violation of its regulations. He was fined. I do not know what the amount of the fine was, but the whole thing was utterly uncalled for and useless. The grocer had not purposely, intentionally, or knowingly violated any law or regulation; but the OPA, in the might of its great wisdom, fined this man because he had to violate either the ODT regulations or the OPA regulations.

As I stated a moment ago, for 6 or 8 weeks I took part in the investigation in the Senate of the meat situation. We found to our dismay and amazement, according to the newspapers and some of our own Members, as well as from some of the testimony, that in the city of Pittsburgh, where the Senator from Montana [Mr. WHEELER], the Senator from Indiana [Mr. WILLIS], and the Senator from North Dakota [Mr. YOUNG] went to hold hearings, there was an 80-percent black market. This was in February or March. Mayor LaGuardia came down here from New York City and testified as to conditions in New York City. We had heard that there was an 80-percent black market in New York City. Mayor LaGuardia said, "I do not think it is that large, but I would estimate that 30 percent of all the meat we use in New York City is black-market meat."

We called as a witness a man named Kennedy, I believe, who is in charge of weights and measures in the District of Columbia. In answer to my question he testified that at least 50 percent of the meat sold in this city was black-market meat.

Mr. President, so long as we have this law we must stop the black market if it is humanly possible to do so. We cannot permit such a condition to exist in various metropolitan areas, as it has existed in recent months. But such a situation does exist. We have in this country today more live cattle than we have ever had in America before, with one exception. We have 82,000,000 head of cattle. There is no reason why those cattle should not eventually reach the feeders' lots and slaughter houses, and be distributed equitably in the metropolitan centers; but I ask any Member of the Senate

if he has been able to find meat in the city of Washington in recent months?

Mr. President, after that lengthy hearing before our committee, the chairman of which, the Senator from Oklahoma [Mr. THOMAS], was in constant attendance, and was exceedingly fair to every witness, a report was presented by that committee to the Senate. This is what the committee reported to the Senate:

The committee believe that the Office of Price Administration has failed miserably to enforce price and ration control regulations. We realize that effective enforcement is difficult, but we believe the enforcement staff to a large extent is inexperienced and unqualified, and that it has failed to obtain the cooperation of the public generally.

Mr. President, I need only comment in passing upon the personnel of the staff. I remember very well the morning when the Senator from Nebraska [Mr. WHEERRY] and the Senator from Montana [Mr. WHEELER] were present before our committee. A man named Emerson, who I believe was either chief counsel or a member of the legal staff of OPA, was testifying. It was developed by those two Senators that Mr. Emerson had never tried a lawsuit in his life. He had come from Harvard University, and because he was a "Hahvahd" man he was qualified to be a member of the legal staff of OPA. He testified frankly and openly that he had never tried any lawsuits and had never examined a jury. He stated that he had appeared before some judges. He had been installed as practically the head of the legal department of OPA.

Mr. President, I could cite other cases of that kind. I have never met Mr. Bowles. He may be a most estimable gentleman. I know that he is a good advertising man, but as an Administrator of OPA that is all he is—a good advertising man. Let me tell the Senate why I say that. I hold in my hand a little booklet, apparently consisting of 35 or 40 pages, printed by the Office of Price Administration under date of January 31. Mr. Bowles pretends to be the editor and publisher of it. I am sure that any Senator can obtain a copy of it if he is interested. Mr. Bowles devotes the entire booklet, not to a discussion of the three principles in the Price Administration statute which I mentioned—he does not discuss those principles at all—but to instructions to his staff as to the most effective way of obtaining publicity for OPA. He says, "Pick out the most notorious cases, cases in which you can get the biggest fine, and in which you can get the most notoriety, and publish them largely over the country."

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BUSHFIELD. I yield.

Mr. SHIPSTEAD. Whom is the Senator quoting?

Mr. BUSHFIELD. I am quoting Chester Bowles, head of the OPA, in this booklet.

Mr. SHIPSTEAD. I understand that Chester Bowles is an advertising man.

Mr. BUSHFIELD. Yes. He is a good advertising man.

Mr. SHIPSTEAD. He knows how to get production of advertising.

Mr. BUSHFIELD. Yes.

Mr. SHIPSTEAD. He does not know how to get production of meat.

Mr. BUSHFIELD. That is quite evident. Up to date he has not obtained it.

This little booklet gives complete instructions to the enforcement officers of the OPA as to how to get the most notoriety for OPA and for themselves. I was under the impression that the OPA was created for the purpose of stabilizing prices, establishing fair and equitable wages, and assuring the cost of production to producers; but Mr. Bowles says nothing about that in his little booklet.

I have another booklet, in heavy black type, issued by Mr. Bowles. It was received at my office on March 29. I do not know when it was published. In this booklet he gives certain figures with respect to OPA. I find to my amazement that OPA have 62,615 paid workers and 375,000 volunteer unpaid workers. Yet Mr. Bowles says he has not enough employees. We have asked officials of his office—not Mr. Bowles himself, because he never appears before the committees—

Mr. TOBEY. Oh, yes, Mr. President; Mr. Bowles does appear before the committees, let me say, if the Senator will excuse me. Will the Senator yield to me?

Mr. BUSHFIELD. I yield.

Mr. TOBEY. In justice to Mr. Chester Bowles it should be said that he comes before the committees constantly; he testifies before them in a very frank and open manner. He is above reproach in that respect. I wish to see all men who are engaged in the service of the Government receive a square deal, and that is why I rise to state the fact as regards Mr. Bowles.

Mr. BUSHFIELD. Mr. President, I thank the Senator from New Hampshire for his defense of Mr. Bowles. I happened to attend every session of the Committee on Agriculture and Forestry, but the Senator from New Hampshire did not. I say that Chester Bowles did not appear as a witness before our committee.

Mr. TOBEY. Mr. President, if the Senator will further yield to me, let me say to him that he is a member of the Committee on Agriculture and Forestry, and I am a member of the Committee on Banking and Currency, to which committee all legislation affecting the OPA has come, from the very beginning to the present time. Chester Bowles has come very constantly and regularly before the Committee on Banking and Currency, and he has opened up to the committee all his books and records and, in my judgment, he has given a complete justification of the OPA. He has come before our committee very gladly. I make this statement because I will not willingly permit a man to be discredited wrongly.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BUSHFIELD. I yield.

Mr. AIKEN. Chester Bowles did offer to come before the committee one day. I mentioned that to the committee, but there did not seem to be any demand for his presence there, to my knowledge.

Mr. BUSHFIELD. I remember distinctly that the Senator from Oklahoma [Mr. THOMAS] requested the OPA to have a representative at all of our meetings. After one or two meetings, that was the last we saw of the representative.

Mr. AIKEN. I know that Mr. Bowles told me personally he would gladly come before the committee if we wished to have him do so.

Mr. BUSHFIELD. Well, the proof of the pudding is the fact that he did not come.

Mr. President, I wish to comment briefly on some of the activities of OPA about which we have learned during the committee hearings. I hold in my hand a letter printed and sent broadcast by a man named Shoup, regional administrator for Boston, Mass. The letter was sent to newspaper editors, editorial writers, radio commentators, group leaders, and trade executives. Here is what this man Shoup, an appointee of Chester Bowles, said in his letter:

The attack on price control before the Senate Agricultural Committee represents one of the most vicious pressure group tactics yet undertaken. Success of the attack would deal a body blow to price control which is so necessary to the economic life of our country.

Mr. President, the letter was uncalled for. It was entirely out of order, and the man who wrote it should have been dismissed by his chief for sending out such a letter about a Senate committee. But, so far as I have heard, he is still on the pay roll.

Mr. President, the other day we had before the Committee on Agriculture and Forestry a man named Dunn, who was in charge of canned food rationing. He quit the OPA in disgust because he could not subscribe to the doctrines and philosophies of that agency. Two days after he quit he appeared before our committee and made this statement, which is significant:

I have been in charge of canned foods for OPA for 2½ years, and I say to you gentlemen today that there is no reason for a continuance of OPA regulations and rationing upon canned foods.

Mr. President, I will go even further than that; I will say that there is no reason for the continuance of OPA, and it should be abolished. I recognize that it will not be, but I am going to support the Thomas and the Taft amendments.

Mr. AIKEN. Mr. President, now that the United States and the whole world are facing an acute food shortage, particularly in meat, it seems to be a very popular pastime to try to put the blame on someone for the condition which exists at this time. I wish to say that I do not think any one individual or any one group or any one agency of Government is to blame for the present shortage. If we are going to blame anyone we should just blame the war.

The OPA must assume some of the responsibility for the shortages which now

exist. I think the War Food Administration perhaps must assume a small part of the responsibility. The high officials of the armed services, who made the prediction that the war in Europe would be over last year must also assume some of the responsibility. Neither the Congress nor the executive department of the Government can be wholly absolved of blame. As I have said, the entire blame for the present situation cannot be charged to any one group.

Yet, on the whole, in spite of the errors the OPA has made, in spite of mistakes others of us have made, we have done fairly well up to now; and I think some of the agencies which have had to assume the responsibility for shortages must also be given some of the credit, because when we look over the whole situation we find that up to this time the line against inflation has been held very well.

The Senator from Oklahoma and the Senator from Ohio have made substantially correct statements concerning the ability of many processors, manufacturers, and producers to do business adequate to meet the needs of the Nation and the rest of the world and to make a profit or to break even at the same time. We may as well recognize that the most difficult year of all, so far as the food situation is concerned, lies ahead of us. There is little chance that the situation will improve before next fall or perhaps next spring, if it does get better then. In addition to having to feed our armies, we have to help feed the people of Europe, and as the war goes on we shall find that it will be necessary for us to feed millions of people of Asia as well. So for some time yet the food situation will not be what we would like to have it be.

The principal need today is food. I do not think we lack so much in arms or ammunition or other materials of war, but we do lack food. The great volume of mail which Members of Congress are receiving—I know that every Member of Congress is receiving a great deal of mail—is largely due to fear. That fear becomes more apparent as the war grows closer to what we hope is its end. There is fear by industry that during the reconversion period it will be so hampered by Government agencies that wholesale bankruptcies will result.

There is fear on the part of workers that they will lose their jobs. There is fear on the part of consumers that they will not have enough money with which to make purchases. There is fear on the part of a great many Government employees that they will be laid off. Some of the latter seem to have the mistaken idea that in order to make sure of their jobs, American industry and agriculture must be hamstrung with all kinds of red tape and regulations. But the same desire for absolute security which exists in the hearts of all of us exists in the heart of the humblest citizen, as well as in the largest corporation in the country.

There is no such thing as absolute security for either the humblest citizen or the largest corporation. Neither is there any reason to fear that the United States is on the verge of a depression or that famine is imminent, if we work out our problems sanely and cooperatively.

Instead of being on the verge of national disaster, we may well be on the verge of the greatest era of prosperity the world has ever known. It all depends on how we plan.

The first need of mankind is food and shelter. Without those things, we cannot live.

It is necessary, first, that food be produced and shelter provided; second, that the prices be within the ability of all to pay. The production of food without the ability to buy it would lead only to destitution and lawlessness. The ability to buy food without food being available would reach practically the same end.

In 1942 Congress established the Office of Price Administration for the purpose of maintaining prices within the reach of the consumer, and distributing the available necessities of life equitably among the people. The War Food Administration was charged with the production of food. It is unfortunate that at the start those two agencies were not coordinated under a single head.

The OPA has put its principal emphasis upon holding down prices, and it has put so much emphasis on this angle of the situation that it has retarded production to some extent, and must take the responsibility for the result.

We are now talking so much about reconversion to consumer production on the part of industry that the OPA indicates its intention of forcing prices back to prewar levels. Any child in grammar school knows that a manufacturer or a producer cannot pay an increased cost for material, labor, and other elements which enter into his business, without increasing the selling price of his product. It appears that the OPA contemplates reviewing the costs of various individual manufacturers and making adjustments in ceiling prices with regard to the individuals concerned. That would be one way of maintaining an army of OPA employees continually on the job for years to come, but it would not be in the interest of our national economy as a whole.

We simply cannot sustain our national economy, pay our governmental expenses, and service our national debt of \$300,000,000,000 on the same price and wage level that we had when our national debt was only \$30,000,000,000.

We can develop new methods of production to hold down costs, offsetting the increased level of wages, but whatever we do, we must maintain our national income at a level necessary to the safety of our national economy, even if it means increased prices and increased base rates of wages, and we must do this without letting either prices or wages get completely out of control.

I have no fear of higher prices or higher wages so long as the rise is equitable as between the different groups of our national economy.

The war with Japan is not yet over. The need for help to feed hundreds of millions of people in other countries must be met. This can be done only by the production of food.

In the long run, prices can be controlled adequately only through adequate

production of food and other necessities. So long as there is a shortage of food, we will have black markets, and when the supply of food reaches the point where it equals demand, the black markets will disappear.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LANGER. I have a great deal of confidence in the judgment of the distinguished junior Senator from Vermont. I should like to ask him two or three questions, because I am somewhat confused in my understanding of the situation. Why is it that the people of this country cannot buy meat? I have received telegrams from producers of cattle in various sections of my State. They have informed me that they cannot obtain meat even in some of the restaurants in North Dakota. What is the explanation of that situation?

Mr. AIKEN. The explanation is that there is not sufficient meat to go around, and the current supply of meat is being inequitably distributed. Theoretically, we should all receive a certain percentage of the quantity of meat which we used to consume, but we are not receiving it. Too much of the human element enters into the picture. We have been using tremendous quantities of meat for our armed forces. They are perhaps consuming three times as much meat as they consumed when they were in civilian life. We have assisted the armed forces of our allies as well. We have sent tremendous quantities of food abroad under lend-lease. During last February alone we sent abroad approximately \$117,000,000 worth of food. I believe it will be found that for the first 3 or 4 months of this year a large quantity of meat was included in the approximately \$117,000,000 worth of food which we sent abroad. Last year we sent to Russia alone more than a billion pounds of meat. So far as I know, none of it has been sent to the liberated countries.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. AIKEN. Yes; I yield to the Senator from North Dakota.

Mr. LANGER. Only a few months ago a hog could not be sold in North Dakota. One man at Dickinson, N. Dak., said to me, "I have 200 hogs and I cannot sell them. Nobody wants them." Who is to blame for a situation of that kind? It has been said by many persons that we need a greater production of meat.

Mr. AIKEN. I will come to the subject later during my remarks. The fact that the person to whom the Senator from North Dakota has referred could not sell his hogs a year ago is one reason that he is not raising hogs this year.

Mr. LANGER. That is correct. May I ask the Senator one more question?

Mr. AIKEN. I yield.

Mr. LANGER. Subsidies were granted and packers were supposed to pass the subsidies onto the farmer. In the Senator's opinion were the subsidies passed on?

Mr. AIKEN. They were passed on perhaps to the next handler below the packer, which was very likely a purchasing

organization owned by the packing company itself. So far as I know, not a dollar of the subsidy which was paid to the packers beginning in July 1943 ever got back to the farmers.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SHIPSTEAD. Can the Senator explain any reason for the present shortages in localities where there is ample opportunity to produce?

Mr. AIKEN. The explanation lies in the difference between the amount produced and the amount demanded.

Mr. SHIPSTEAD. The regulation of the OPA in regard to corn made it impossible for the so-called feeders of livestock, who produce the best meat by feeding the animals corn, to continue in business. The corn rotted in the fields, and we do not now receive a great amount of meat produced by the fattening of cattle. The situation is due to the regulations of the OPA.

Mr. AIKEN. The Senator is correct. The regulations of the OPA have tended to discourage production. There is no question about it. In some cases the regulations have discouraged production faster than the War Food Administration could encourage it.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MOORE. I merely wish to suggest to the Senator that there is no shortage of raw materials which go into feed. There is a surplus of cattle and corn throughout the country, as the Senator well knows. Therefore, if there is a shortage it is the fault of someone.

Mr. AIKEN. I think the Senator is correct. I would not say that there would not be a shortage, because it would depend on how many people we undertook to feed. There is sufficient food to feed the people of this country if, as the Senator has said, the corn and the feeders could get together.

Mr. LANGER. Mr. President, I should like to know who is the more to blame for the situation in which we find ourselves today. Is it the War Food Administration or the OPA?

Mr. AIKEN. I think every Senator must draw his own conclusion with regard to that subject. On the whole, I think the War Food Administration has endeavored to encourage production. It did not provide adequate machinery, in some cases, to carry out its commitments to the farmers. The War Food Administration, I am sure, has not undertaken to discourage production in any way except with regard to certain crops which were deemed by it to be less necessary than others.

Mr. MOORE. Does the Senator now believe that by reason of the planned price-control policies we have improved the situation, or made it worse?

Mr. AIKEN. I think that if we had not had any planned control, there might have been a heavier production but with fewer people obtaining what they needed of such production.

Mr. MOORE. I thank the Senator.

Mr. AIKEN. But the fact is—

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I will, if the Senator from Nebraska will not enter into a discussion of feeders, but my time is limited. I inquire of the Chair if my first 20 minutes is up.

The PRESIDING OFFICER. The Senator has remaining 5 minutes on the amendment.

Mr. AIKEN. Then I yield briefly to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I deeply appreciate the Senator's yielding. I know his interest in agriculture and his activities on the Committee on Agriculture and Forestry. It has been stated on the floor of the Senate many times by those who are favorable to the pending legislation to extend the Price Control Administration that neither the so-called Thomas amendment nor the Taft amendment would help the producer. Is the Senator from Vermont of that opinion?

Mr. AIKEN. In the course of my remarks I am going to make a statement as to that pretty soon.

Mr. WHERRY. If the Senator is going to make a statement about that when he comes to it in his speech I should like to make a question.

Mr. AIKEN. I may answer the question before it is asked.

Mr. WHERRY. Would the Senator accept an amendment, which would be an additional paragraph to the Thomas amendment, and which would read something like this:

That it shall also be unlawful to establish or maintain against the producer of any agricultural commodity a maximum price for such commodity which does not equal all costs and expenses to the farmer and his family in the production of such commodity, plus a reasonable profit thereon.

What I am asking is would the Senator from Vermont, as one who is interested in farm production, if he feels that neither of the pending amendments would do what is contended by its author, namely, that it would probably help indirectly, accept such an amendment as I have suggested, if it were offered, in the interest of producers? As the Senator knows I am intensely interested in the producers of agricultural commodities in Nebraska. The Senator from Vermont can answer now or when he reaches it in his speech.

Mr. AIKEN. I think I will explain my position on that matter very soon. I say I would not vote for any amendment that would neglect the producer, because we must have production before we can have prices and profits at any time.

Mr. WHERRY. I agree with the Senator's conclusion, and it is only for that reason that I am asking him, in view of his position, if such an amendment as I have suggested were adopted does he think it would remedy the situation as to the producer of agricultural commodities?

Mr. AIKEN. I am not prepared to express off-hand a snap opinion until I see the amendment in written form.

Now, Mr. President, I will start again with the statement that today we are far

from producing sufficient food. Our farms have been stripped of their labor. According to press dispatches, only 3 out of 1,000 men being discharged from war industries are willing to return to the farm even for harvesting. The price farmers can pay for labor is far out of line with the wages that men and women have been receiving in war industries and what they expect to receive in the reconversion period.

At no time since the war started has the farm labor situation been so acute as it is today. At no time since the war started has the need for farm machinery been so great and the supply so little in comparison with the needs. Farm machinery has been wearing out more and more each year, and, while the farmers got along pretty well for the first year or two of the war, they are not getting along well now so far as the farm machinery situation is concerned.

Furthermore at no time since the war started has the weather been so unfavorable to crop production as it has been this year.

If I thought that either the Taft amendment or the Thomas amendment would result in a material increase in the production of food in this country, I would vote for one or the other of them because today the need for food is more urgent than the need for lower prices.

But, as I look at these amendments, they are purely manufacturers' and processors' amendments.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The time of the Senator from Vermont on the amendment has expired.

Mr. AIKEN. I will take a few minutes on the bill. The Thomas amendment is a processor's amendment, purely and simply. It seeks to guarantee to each individual packer a profit, regardless of the amount of business he may do.

Under the Thomas amendment, a packer could process only 50 percent as much meat as he did last year, and still be assured of his profit.

If I voted for the pending amendment it would be simply as a mark of respect for the senior Senator from Oklahoma, who offered it.

In appearing before the Agriculture Committee, many packers testified that the reason they were losing money was because they could not get the live animals to slaughter and had to operate at a loss. I do not question their statement. I think many of them have been squeezed out because of foolish regulations, and some have been squeezed out because, as I have said, they could not get live animals to slaughter, but in my opinion the Thomas amendment will not produce an additional pound of meat, nor return to the farmer a single additional dollar as an incentive toward greater production.

Of course, the packers say, "Give us more profit, and we will assure the farmer a greater return"; and, yet, in 1944, when packers admit making a large profit, they readily concede that they did so at the expense of the farmer.

The Federal Government did not have adequate machinery for maintaining its

support price on pork; packers took advantage of the situation, and in many cases forced the farm price down to one-half the figure the producer thought he was going to get under the Government floor price. In some cases he was forced to hold his hogs until they became overweight and then instead of the Government-guaranteed price would find himself offered 6, 7, or 8 cents a pound. The farmer with three or four hogs who did not have a carload to sell on the market would have to take what the buyers offered him, and in my section of the country, as I recall, the prices ran around 9 or 10 cents a pound.

If the packers did not return to the farmer any of their profits last year, but took every advantage to force the price down, is there any more reason to believe that they will share with the farmer the profits guaranteed under the Thomas amendment? The answer is definitely "No," and we all know it.

On the other hand, the Thomas amendment would probably increase the prices of things the farmer has to buy which are manufactured from agricultural products.

The Taft amendment not only does not offer any incentive for greater food production, but actually would make production more difficult than it is now and I believe would result in decreased food production.

Not only would the Taft amendment increase the cost of virtually everything farmers have to buy, but it would put them in a more disadvantageous position as regards labor than they are in at present.

If only three out of a thousand laid-off industrial employees are willing to return to farm work now, they certainly would not have any more inducement to assist in farm harvesting and food production under the Taft amendment.

If the manufacturer is given a guaranty of a dollar margin of profit, as provided in the Taft amendment, while the farmer receives only a percentage of parity guaranty without consideration being given to the cost of farm labor in the computation of parity, the farmer will be put at a still further disadvantage in competing for the available supply of labor.

As I see it, the Thomas amendment would conceivably increase the farmer's expenses, with no increase in income likely, but the Taft amendment would almost certainly put the farmer at a more serious disadvantage than he is at present and could really be labeled an antifarm amendment because it gives industry such a great advantage over agriculture.

Mr. President, I notice that those who come to Congress like to ask things for themselves in the name of the farmer. So far as I am concerned, the meat packers are not farmers, although, to hear them talk, one might think they were the real representatives of agriculture. I am not trying to be derogatory to the meat packers, but they are looking out for themselves and they are going to buy as cheaply as they can and sell for all they can get, just as everyone else engaged in business does.

If either of these amendments should be adopted, one of two things would happen: Either the OPA would ignore the mandate of Congress, as it has been known to do, in which case present conditions would not be bettered at all, or if the OPA complied with the provisions of these amendments the result would be a greatly increased price to the consumers, who include the farmers themselves, increased profits to packers and processors, no increase in the production of food, and a decrease in the net farm income.

The problems of production and distribution today can all be solved by administrative action. No more law is necessary, if what law we now have is used as Congress intended it should be.

I can see no sense in Congress enacting legislation which, in effect, would command executive agencies to obey laws previously passed.

I shall vote to continue the Office of Price Administration for 1 year more. During that year this agency can, if it will, correct abuses which now exist, make possible the reconversion of our industry to consumer production, and still hold prices within reason.

I have confidence that the executive department will from now on exercise a firmer hand in the control of some of its agencies, with a resulting betterment to our national economy. However, if any agency does not within the next 12 months correct the abuses with which it is justly charged, the only solution then will be for the Congress to revise the entire Price Control Act or refuse to make appropriation for its continuance.

We should know by the early part of next year whether the Office of Price Administration is correcting the abuses of which it is guilty, or whether it does not intend to do so. If it does not intend to remedy the situation, then I agree that Congress should revise the law completely, and that can be done in such a way as to make it conform to the purposes for which we intended it.

As I have said, if I thought that either of these amendments would result in the production of more food or in putting farm income on an equitable basis with that of other groups, I should gladly vote for it. The world needs food so badly that even a resulting increase in cost would be warranted if the enactment of these amendments would result in the production of more food. But, frankly, both amendments are patchwork, and I do not think they would remedy the injustices or the food shortages which now exist.

Mr. LANGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from North Dakota?

Mr. AIKEN. I yield.

Mr. LANGER. The Senator has confidence in Chester Bowles has he not?

Mr. AIKEN. I think Mr. Bowles and Mr. Brownlee have done the best they possibly could. As has been repeatedly said on the floor of the Senate, it is impossible for them to control every division of the Office.

Mr. LANGER. What puzzles me is this. Here we have a first-class busi-

nessman, apparently, in charge of OPA, who comes here and works for nothing. I should like to have the Senator tell me how it happens that the telegrams which come to Senators, at least those from my State, all come from businessmen who say, for instance, "My restaurant is going to close up. I cannot continue operating with a man like Chester Bowles in charge of OPA." I have the highest respect for Mr. Bowles; but I should like to have the Senator's idea as to the point I have suggested.

Mr. AIKEN. As I have said, I think thousands of injustices have been committed. People have been unjustly put out of business. On the other hand, when we are in the midst of the greatest war in the history of the world, we cannot expect to keep everybody's business running as usual.

Mr. LANGER. The Senator says he is in favor of extending OPA for a year.

Mr. AIKEN. For a year.

Mr. LANGER. And that the Executive is going to make some improvements. Does the Senator mean by that that Chester Bowles is going to make improvements, or President Truman, or who?

Mr. AIKEN. I think the Office of Price Administration could be directed to make improvements. I have a great deal of confidence in our former colleague, President Truman, but he has a tremendous job, he cannot get around all at once to straighten out many things which need straightening out. I am willing to give him time enough to do the job he has, and, with the tremendous pressure of world affairs which must be on him at this time, I am inclined to be very, very tolerant.

Mr. LANGER. Will the Senator yield further?

Mr. AIKEN. I shall yield as long as I have time left.

Mr. LANGER. Is it the Senator's opinion that the restaurants which are closing up, and also some other businesses, will get relief within the next 2 or 3 weeks?

Mr. AIKEN. Does the Senator refer to the meat shortage?

Mr. LANGER. The meat shortage, and food shortage in general.

Mr. AIKEN. I do not know. I know some restaurants seem to have a supply of meat and others do not. The distribution is not equitable. No one can claim it is. There is a black market, and the black market grows as the gap between production and demand grows.

Mr. LANGER. The Senator's judgment, then, as I get it from what he has said, is that the adoption of the Thomas amendment or the Taft amendment will not help the small restaurant men at all. Is that correct?

Mr. AIKEN. I do not think the enactment of the amendments would result in the production of more food. I think, perhaps, their enactment would give more assurance to processors and manufacturers, but, as I have said, I think if there has been any change in food production, it has been a decrease, and I think definitely there would be a further decrease of food production under the Taft amendment.

Mr. LANGER. What is the attitude of the farm organizations of the State of Vermont, and the New England States generally, on these two amendments, if the Senator knows?

Mr. AIKEN. Our farm organizations have been very noncommunicative on this question. The Farm Bureau Federation has been inclined to go along with the war measures which we have taken. We have only the Farm Bureau Federation and the Grange in Vermont, and I have not heard from the Grange.

Mr. LANGER. I thank the Senator.

Mr. AIKEN. From my State there has been very little complaint about the over-all prices for a long time. Vermont is a milk-producing State. I think about 70 percent of our farm income is from the production of fluid milk.

There has been complaint about the farm-labor situation. The farms have been stripped of their labor. The selective service has, in the opinion of a good many farm leaders, violated the spirit of the Tydings amendment, although it has been very hard for them not to, and still meet the demands which have been made upon them. The farm machinery situation has not been good. But so far as prices go, I have had very little complaint.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WHERRY. I was called out of the Chamber, and I wondered whether the Senator answered my question relative to the amendment suggested by me.

Mr. AIKEN. As to the amendment, I should not undertake to answer the question without seeing the amendment written out and having a little while to study it, but I will say that I would not vote for any amendment which did not guarantee an incentive for greater food production.

Mr. MORSE obtained the floor.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. WAGNER. The question has arisen as to how the Farm Bureau Federation stands and how other organizations stand, and one Senator a few days ago asked about the attitude of the Advisory Board on War Mobilization and Reconversion, which, as the Senator from Oregon knows, is a Board which was selected by the President, and endorsed by the Congress.

The public members of that Board are Mr. O. Max Gardner, chairman; Mr. William H. Davis; and Miss Anna M. Rosenberg.

The labor members are Mr. T. C. Cashen, Mr. William Green, and Mr. Philip Murray.

The farm members are Mr. Edward A. O'Neal, Mr. James G. Patton, and Mr. Albert Goss.

The industry members are Mr. Eric A. Johnston, Mr. George Meade, and Mr. Nathaniel Dyke, Jr.

The members of the Board met the other day at a full meeting, all the members being present except Miss Rosenberg, who is traveling in Europe on official business, and voted unanimously against the Thomas and the Taft amendments and in favor of the pending joint resolution.

I thought I would give this information for the benefit of those who asked about the attitude of the farm industry. Representatives of the farmers are included in the list of those mentioned.

Mr. MORSE. Mr. President, in view of the time limit imposed upon speakers on the pending measure, I shall decline to yield further until I have completed my formal remarks, and then I shall be very happy to answer, if I can, any question any Senator may wish to ask me in regard to my remarks. I hope that no Member of the Senate will take offense at my refusal to yield until I at least guarantee to myself that I have sufficient time to make the remarks I wish to make for the RECORD.

Members of the Senate are aware of the fact that on past occasions in the Senate I have called attention to the mishandling by the OPA of the Oregon lamb marketing problems, and I have called attention to a conference held last fall by Mr. Bowles at the Portland airport in regard to that situation. Mr. Bowles apparently has taken offense at some of my statements on the floor of the Senate, because Saturday afternoon there was delivered to my office a critical letter from Mr. Bowles, and in fairness to him and in order to keep the record straight, he is entitled to have that letter in the RECORD. I should also read into the RECORD my reply to Mr. Bowles' letter, which went forward to him this morning.

Mr. Bowles' letter to me is as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., June 8, 1945.

The Honorable WAYNE MORSE,
United States Senate,

Washington, D. C.

DEAR SENATOR MORSE: In a speech on the floor of the Senate yesterday in opposition to the Price Control Act, you are quoted as having made the following statement:

"Last September, however, when we finally persuaded Mr. Bowles at least to stop by on his way from San Francisco to Seattle by air, he dropped in at the Portland airport and a considerable number of representatives of business and livestock interests of the State waited upon him. He admitted in the conference that the Office of Price Administration had made a mistake for 2 years in handling Oregon lambs, and he gave assurance that the error would not be repeated. That is why I say to the distinguished Senator from Oklahoma that the letter with Mr. Bowles' signature attached to it, insofar as I am concerned, is not worth the paper on which it is written. He has not made good on his promise to prevent a repetition of OPA's 2-year mistake in handling Oregon lambs."

The statement that I made any commitment about the handling of Oregon lambs which I have not fully lived up to is utterly and completely erroneous.

The facts about the lamb situation in Oregon are as follows: In early July of last year the lamb growers of the Northwest requested our various district offices to remove rationing on lambs for their particular area.

A man was sent out from Washington by the National Office to report at first hand on

the problem. Since the removal of points on an area basis had never been undertaken before, there was considerable difference of opinion as to whether it was necessary or advisable in this particular case.

I had not heard of this problem until shortly before my visit to the coast in August. At the request of the various groups in your State, I stopped over especially in Portland in order to make a personal investigation.

The problem was presented to me at the Portland airport by the State agricultural officials, lamb growers and others in a constructive, factual and reasonable manner. I told the group present that in my opinion mistakes had been made in the handling of the problem and that I would discuss further with my own rationing department the question of what, if any action, should be taken. I made no other commitment of any kind.

That all this was perfectly understood by the group which talked with me at the airport is sufficiently shown, I think, by the report of the talk which appeared on the front page of the Oregon Journal for Monday, August 28, 1944. The following paragraph appears in that report:

"Lew Wallace, Democratic national committeeman for Oregon, endeavored on two different occasions to get Bowles to take immediate action, or to promise definite relief. But Bowles would not publicly commit himself beyond agreeing to take a good hard look at the situation. Bowles said it would be unwise for him to be making off-hand decisions on a cross-country tour, and that if he overrode the duties of his departmental heads in Washington, he would have a lot of men quitting their jobs."

Early the next morning I called my Washington office and told them that in my opinion we had been mistaken in our earlier decision and that an adjustment of some kind should be made to allow for the prompt marketing of the remainder of the lamb crop, estimated to be 60 percent of the total.

Two days later our three district directors in Portland, Seattle, and Spokane were authorized by Washington to validate two special ration stamps good until October 22, 1944, for the purchase of lamb only in the Northwest area.

The announcement of this step was made by the three district directors themselves. I did not make any announcement on this program.

Of course I made no commitment how the situation would be handled in 1945. Obviously, when I was unwilling to make a commitment for the situation then existing, I would not have made a commitment for the year following, in disregard of all the changes in circumstances which might intervene.

In view of these facts I can only construe your statement yesterday on the floor of the Senate as a careless one, based on information which you failed to take the trouble to check.

This being the case, I think you will recognize that the rules of fair play call for a full and prompt retraction. In view of the importance you have given to the matter in the current debate, it seems to me that the correction should be made before the debate closes.

I should like to add that the decision whether this year's conditions again justify giving special consideration to the marketing of grass-fed lambs in the northwest will be announced shortly. This Office will be guided in its decision by its best judgment of what the facts as to this year's market warrant.

Sincerely,

CHESTER BOWLES,
Administrator.

This morning I sent by messenger to Mr. Bowles' office the following reply to his letter of June 8:

JUNE 11, 1945.

HON. CHESTER BOWLES,
Administrator,
Office of Price Administration,
Washington, D. C.

DEAR MR. BOWLES: Thank you very much for your letter of June 8, 1945. I shall introduce it into the RECORD today, with whatever I consider to be appropriate remarks in regard to it. However, my remarks will be in direct conflict with the contentions set forth in your letter. If you will check the press releases which were generally published in Oregon, in addition to the quote from the Oregon Journal upon which you now rely, you will find that your statements at the Portland airport were given quite a different interpretation by many newspapers.

Likewise, if you will check into the use which was made of the assurances given by you at the Portland airport conference by spokesmen for the Democratic Party during the campaign last fall, you will more fully appreciate why I do not intend to permit you to weasel out of those assurances now.

The fact is that the mishandling of the Oregon lamb problem by the OPA during the marketing seasons of both 1943 and 1944 was a hot campaign issue in Oregon. The Democratic Party was very much concerned about the political effects which it was having upon the farmers of my State. Hence, Democratic leaders sought the Portland airport conference with you. I, too, welcomed the airport conference because I, in the interests of the Oregon livestock industry, was anxious to have the OPA correct its mistake.

The irrefutable fact is that at that conference you admitted that the OPA had made a mistake and you assured those in attendance that you would take the necessary steps to rectify the situation. You also gave them the impression that you would see to it that the mistake was not repeated. Since receiving your letter on Saturday, I have again checked into the matter by talking to Oregon newspapermen and they affirm my statements.

Further, it is interesting to note that following your conference at the Portland airport you did take steps to correct the situation as best you could that late in the season by authorizing, through your organization, the use of two special ration stamps for the purchase of lamb in the Northwest area. During the remainder of the political campaign of last fall Democratic spokesmen attempted to meet the lamb issue by referring to your assurances as made at the airport conference and as demonstrated by your subsequent acts whereby you sought to correct the mistake. Unfortunately for most lamb producers in the State your remedy fell into the typical OPA pattern of "too little and too late."

The statement in your letter to the effect that the adjustment adopted by you allowed "for the prompt marketing of the remainder of the lamb crop estimated to be 60 percent of the total" is not accurate, so I am informed by livestockmen in Oregon in whose word I do have confidence.

It is true, as you say in your letter to me, that at the Portland airport conference you did not issue a ruling on the spot, but you did admit that a mistake had been made and that you would see what could be done to correct it. In the 3-hour conference at the airport you expressed the view that there was no necessity for sending an expert out from Washington to study the situation and that the reports of the local OPA in the field should have been sufficient. May I call your attention to the fact that the local

OPA officials had urged upon your Washington office very early in the lamb season the lifting of the rationing stamps on lamb, and your comments at the airport conference to the effect that the reports of the local OPA officials in the field should have been sufficient was accepted—and I believe justifiably so—as an admission by you that the Washington office had been wrong.

I can assure you that Democratic spokesmen made political capital of your statements at the conference. The reversal of the ruling of the Washington office and the sustaining and putting into effect of the recommendations of the local OPA office in Portland two days later was in keeping with the impression which the newspapermen and the livestockmen carried away from the conference; namely, that you would proceed to correct the mistake.

I was very much pleased with what you did at that time and I said so on many occasions during the campaign and I also said that it promised well for the future insofar as the handling of the lamb problem was concerned. However, in perfect candor I should also say that in my speeches I stressed the point that the bungling by the Washington office of the Oregon lamb problem is a clear demonstration of how important it is that, in administering Congressional legislation such as the OPA act, we must provide for a greater delegation of authority to local offices. Had that been done in the Oregon lamb situation, the recommendations of the Portland OPA office would have been put into effect and the great loss to Oregon sheepmen would not have been suffered.

I am not now concerned with the political use which was made of your airport statements by the Democrats in the election. However, parenthetically, I do wish to say that I am convinced that the OPA was used politically throughout the campaign and that a fair share of the blame for it must be placed at your door because, as the head of the OPA, you should have made its administration as nonpartisan as are its statutory objectives.

However, I am concerned about what you are going to do in the way of protecting the sheepmen of my State from the costly losses that your organization, through stupid mistakes, has imposed upon them during the past 2 years. I urged upon you sometime ago that you should take note of this problem and carry out the assurances which you at least gave the livestockmen of my State to believe you would carry out when you talked to their representatives at the airport. I think it is interesting to note that you gave no heed to my representations in the premises until the fight over the Thomas amendment developed in the Senate. Now I understand that your organization is working out, or has worked out, some solution of the Oregon lamb problem; but I, as yet, have not been informed as to what it is.

May I say in passing that my experience with the OPA is that a spirit permeates your entire organization that can be characterized as a high and mighty attitude toward the Congress. Too few in your organization seem to recognize that the OPA is a creature of the Congress and is directly responsible to the Congress for its acts and policies. I shall be the first always to protect the OPA or any other Government agency from partisan political interference; but I caution you to remember that an obligation rests upon all Government agencies which are functioning under congressional acts to administer themselves in a nonpartisan manner and to extend to the Members of the Congress of all parties courteous cooperation in supplying the information and conducting the investigations into the particular

problems which Members of the Congress call upon you to perform. I have not received such cooperation from you or your organization, and my complaint in this regard is not singular, because I have heard the same complaint from other Members of the Congress.

I recognize that you and I are in irreconcilable conflict over both the Oregon lamb issue and the general meat policy of the OPA, because the fact is that you have made a sorry mess of it and are doing what you can to rationalize your position.

I had hoped that you would recognize the great public disservice which the OPA has done by its bungling of the meat situation and come forward with necessary amendments to the OPA Act, which you know better than anyone else are needed to solve the problem from a legislative standpoint. However, it is obvious that you have bowed your neck and made up your mind that you are going to have the OPA Act reenacted as it is, apparently as a matter of protecting your pride of opinion. I do not feel that the public's interests should be subordinated to your personal wishes in this matter.

I have been told by certain Senators who have conversed with you that you have given them the impression that if the Congress changes the law from what it now is, you will resign. I think that you ought to recognize that the no-strike policy should apply to you as well as to everybody else in the country. However, if you feel so strongly about either having your way or quitting, then I think it would be in the public's interest for you to resign.

I want you to know that I personally would prefer to have the Thomas amendment in some different form from its present language, and I had hoped that you would come forward with suggestions for statutory change which in the public's interest would meet the problems those of us who seek to sustain the objectives of the OPA as expressed in existing legislation are trying to solve.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, while the Senator was out of the Chamber, I made the statement at the beginning of my remarks that I would not yield until I had finished, and then I would be very happy to answer any questions Senators might wish to ask me.

Mr. CHAVEZ. I ask the indulgence of the Senator for a brief observation at this point.

Mr. MORSE. I will extend that courtesy to the Senator.

Mr. CHAVEZ. I noticed that the Senator stated that the gentleman about whom he was speaking threatened to resign if Congress did not do certain things. Congress has heard such threats in the past; but I have never known a Government official to resign under such circumstances. They always stay. The only way they can be separated from the Government service is for the Congress to cut off their appropriations.

Mr. MORSE. I thank the Senator for his comment.

I continue to read my reply to Mr. Bowles.

Last week I discussed this matter with several of my friends on the Democratic side of the Senate and urged them to get into a huddle with you along some such lines as I set forth in my remarks on the floor of the Senate last Friday. However, I have

been informed that they believe the result sought cannot be accomplished because of your adamant position on the matter.

It is interesting to note that several Democrats to whom I have talked about it admit to me privately that the meat policies of the OPA need to be changed. They admit that many small processors and slaughterhouse operators have been driven to the wall as the result of the OPA's policies. But they seem to think that, in view of the position you have taken in opposition to any legislative change, they are under a party obligation to support your position in the premises and then work out with the OPA administrative changes that will correct the abuses of which I complain.

Unfortunately, the trouble with that approach is that, as far as I am concerned, I have no confidence in your working out administratively the necessary changes to prevent the great injustices of which I complain. Hence, sadly enough, a great national problem which should be faced and solved on a nonpartisan basis is becoming even more confused as the result of the partisan position taken by some forces within the administration. I regret it, and I think that the public will regret it.

I am perfectly willing—and I believe that a majority of those Members of the Senate who are inclined to favor the Thomas amendment are willing—to see what can be done in working out with you and the administrative forces some modification of the Thomas amendment which will ease your mind of your present fears in regard to it, and at the same time guarantee that the small processors and the small slaughterhouse operators in this country are not going to be confronted with financial ruin because of your policies.

The promises which you made in your letter to Senator THOMAS the other day are not enough to satisfy me because if you are willing to do the things which you say you are willing to do in that letter, then you should be willing to make specific suggestions as to how, in your opinion, the present law should be changed so as to make the program which you suggest in your letter a matter of legal right by statutory mandate.

As far as I am concerned, I think that our personal differences should be subordinated to the common good in this matter and that you should come forward with constructive suggestions as to how we can modify the law to give the processors concerned the protection to which they are entitled. Such protection is essential to maintaining the great meat production schedule that is going to be necessary if we are to play the part which we, as a nation, should play in supplying adequate amounts of meat to our own people and, under proper international policies, to people in the starving sections of the world.

You will always find me a cooperative associate in the accomplishment of such an end; but if you insist upon following your present course of action, I shall consider it my public duty, as a representative of the people of my State and of the Nation, to do everything I can, as a Senator, to protect the country from the great abuses which I think are flowing from your policies.

Yours respectfully,

Mr. President, this morning I received from the city editor of the *Oregonian* the latest report he could give me on the lamb situation in our State. I desire to read his telegram:

PORTLAND, OREG., June 9, 1945.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Investigation of the lamb situation among growers, packers, OPA officials, and others seems to indicate:

1. Situation is not as acute as last year because (a) OPA policies of last 2 years discouraged growers and resulted in fewer ewes and hence fewer lambs and (b) scarcity of beef on the market has produced a livelier demand for lamb than was case year ago when point values on beef were low. The lamb crop is estimated at about 75 percent of last year's record production.

2. In May OPA slapped quotas on No. 2 slaughterers (nonfederally inspected). They may slaughter certain percentage of each kind of meat they slaughtered last year. Last year No. 2 slaughterers handled almost no lambs, hence quotas are nil.

3. OPA office here has already attempted to have these quotas removed on lamb so far without result. Verne Livesay, OPA regional agricultural adviser, has made strong representations on this point, we understand, but OPA at Washington is deaf to any appeal.

4. Big slaughterers do not have as much beef and pork to kill as last year. It is possible they may convert some facilities to lamb and this may help situation. However, manpower is short and this relief may be small.

5. McDannell Brown, of OPA, says he favors lifting the quota restrictions and says he has endeavored to get Army inspection of No. 2 slaughterers so some of lamb may be used to supply military requirements. He declares removal of points by OPA unlikely with rest of Nation so short of meat unless actual spoilage develops.

6. Indications are that if slaughterer quotas were lifted the shortage of other meat would divert red points to lamb in quantities to ease this situation materially provided orderly marketing of lambs can be achieved and California lambs do not mature at exactly same time as last year. In fact, increase in point or point bonus would not solve the situation unless slaughter quotas are increased. Lambs will simply back up on the farms and ranges, become unprofitable mutton, and eventually be destroyed with net loss in the Nation's meat resources.

Following are quotes from two authorities which may prove useful: R. L. Clark, "If the OPA won't let the slaughterers kill them we won't be able to eat them. The lambs will back up and spoil. I think OPA should take the points off and let the people eat them. They all mature at once. You just can't argue with nature. They're just like strawberries. When they're ripe you have to get them out."

"The Army will take all they can, of course. If nature would let us spread them out there would be no problem."

Dr. E. L. Potter, Department of Agricultural Economics, OSC, "It's up to OPA to see it doesn't happen a third time in a row. (Lamb crisis of 1944 and lesser one of 1943.) If they have a better solution than taking the points off they're perfectly welcome to try it."

ROBERT C. NOTSON,
The Oregonian.

Mr. President, I repeat that the lamb situation in my State is a mess, and so far as I know up to this hour the OPA has not done what needs to be done in order to prevent great losses to the Oregon sheepmen.

I had expected to cover more points in the course of my remarks during the time allotted me, but I see that I must condense some of the statements I wished to make. However, I do desire to point out to the Senate that there are a few basic facts which we need to keep in mind during this debate. First of all, let me say it is well established, by every investigation which has been made by the appropriate committees of the two branches of Congress, that the meat policy of the

OPA has put many small processors and slaughterhouse operators out of business. In my judgment no one can successfully deny that fact and it should be accepted as one of the controlling facts in support of the Thomas amendment. Second, destroying the small processors and small slaughterhouse operators has a very direct bearing upon the production of meat. It has been argued here that the Thomas amendment is just a big packing-house-operator amendment.

I wish to say that if the Thomas amendment is modified in accordance with remarks I made Friday and in accordance with suggestions I have made for several days, now, to Senators on the other side of the aisle, it will not be a slaughterhouse operator's amendment or a packer's amendment, in the sense that Senators have made their criticisms. I, for one, believe that we are playing into the hands of the big packers if we continue to put the small processors and the small slaughterhouse operators out of business, because that will give the big packers a greater control over the industry. Then they will be in a position, under the decision in the Armour case, to take losses on certain meat products but make it up on byproducts not produced by the little fellow. The "over-all plant profit" test of the Armour decision discriminates against the small processor and in favor of the big packers. When prices are fixed on the basis of the "over-all profits" theory the little fellow cannot compete with the big packers in the processing of beef. To a lesser degree he is also in the same fix when it comes to hogs and sheep. When he goes out of business, the big packers intensify their control over the industry. That has a very direct bearing upon the farmer and the production of meat.

I wish to say that a continuation of the act in its present form, without amendment, will be costly both to the American farmer and to American labor. I am well aware—and if I had time to do so I should like to discuss the point at some length—that American labor is being fooled by the OPA these days, in regard to the Thomas amendment. I have been receiving from labor telegrams similar to those which other Senators have been receiving asking me to vote against both the Thomas and Taft amendments. I have told labor representatives forthrightly that they had better get the facts in regard to the OPA policy on processors and had better discover that if the OPA continues with its policy the American worker will find himself greatly damaged by it. It is unfortunate that labor has been propagandized to the effect that protecting the small processor will increase the cost of meat to labor. What it will do is supply labor with much-needed meat.

The protection can be given and should be given without increasing the cost of meat to labor or to consumers generally. Existing subsidy controls can be, and should be, resorted to in order to protect the small processor and at the same time keep the cost of meat to the consumer at a stabilized level without any inflationary increase. In opposing this protection to the small processor, labor is playing into the hands of the big packers and is work-

ing against its own best interests. Keeping the small processor in business is essential if we are going to protect the farmer and livestock producer who seeks to sell his meat on hoof. It is not good labor policy or good public policy for labor to oppose good-faith attempts to keep the small processor in business. The small processor is not only needed by the farmer, but he is also needed by labor.

In a very real sense, labor is seeking, by its opposition to the Thomas amendment, to injure the legitimate interests of the small processor and the farmer. I repeat that I wish the Thomas amendment had in its language along the lines of the suggestions which I made in my speech on the floor of the Senate last Friday. However, I have been advised that there is no hope of getting support for such language from administration forces because Chester Bowles is opposed to any effective amendments being passed in connection with this OPA Extension Act. I think labor would have served its own interests better, as well as the public interest if instead of trying to pressure Senators not to vote for the Thomas amendment, which seeks to protect the small processor, labor had endeavored to get Mr. Bowles to agree to a revision of the Thomas amendment which would have permitted OPA the right to refuse to give relief to an individual processor in a specific case until so ordered by the Director of Economic Stabilization, if in fact the OPA was of the opinion that the relief sought would have unstabilizing effects.

In the absence of any such revision of the Thomas amendment I intend to vote for the Thomas amendment in its present form because I am firmly convinced that if it is passed the dire predictions of Mr. Bowles in regard to it will prove to be wolf yelps.

In answer to a letter which I received last Saturday from an exceptionally able representative of the American Federation of Labor, who disagreed with my stand on the Thomas amendment, I said this in part:

I appreciate very much receiving your good letter of June 8. I regret that I cannot agree with your conclusions. I think labor is reading into the Thomas amendment things that simply are not there. I have tried to point out to Senators on the Democratic side that they should bring Chester Bowles into a huddle and modify the Thomas amendment along some such lines as I set forth in my remarks on the floor of the Senate yesterday.

I then pointed out in my letter to this AFL representative that Senators on the Democratic side of the Senate have admitted to me privately that—

Bowles has bungled the meat situation and that his policies have driven to the wall a great many small processors and slaughterhouse operators. * * * I think labor is making a great mistake on this issue because it is placing itself in opposition to the legitimate interests of the livestock producers and the farmers.

However, I would like very much to see the Thomas amendment modified so as to give OPA the right to refuse to grant any particular price or recommend that any subsidy be paid to any slaughterhouse operator or processor, if that price would be unstabilizing, and then give to the slaughterhouse operator and processor the right to appeal from the OPA ruling to the Director of Economic

Stabilization or to Vinson. I think that some such provision would give adequate protection to the processor and slaughterhouse operator, who today is being ruined by Bowles' arbitrary and unrealistic policies, and at the same time protect the stabilization program.

The administration forces have apparently bowed their necks and made up their minds that they are going to ram the OPA bill through again without any changes. I for one cannot vote to perpetuate Bowles' policies, which I know are doing great injustice to the livestock industry and the livestock producers of my State. I believe that many of the dire predictions that are being made in regard to the Thomas amendment will not turn into realities because administrative policies which can be devised under the administration will prevent that result.

I am not for the Taft amendment, but I shall vote for the Thomas amendment unless the administration is willing to modify it along some such line as I have suggested to the administration leaders. I am sorry that I have lost confidence in Bowles. * * * I shall vote, and shall continue to vote, for such restrictions upon him as I think are necessary to protect the interests of the public.

Enclosed is a copy of the daily CONGRESSIONAL RECORD for yesterday. You will find my remarks on page 5890. If Bowles can do the things that he says he will do in his letter to Senator THOMAS, to which I referred in my remarks yesterday, then he ought to be willing to agree to accept modification of the Thomas amendment which gives that right to the processors concerned rather than causing them to be placed in a position where they must be entirely dependent upon the exercise of Mr. Bowles' arbitrary discretion.

I then suggested to this AFL representative that he should make representations to some of the administration Senators over the week end and suggest to them that they propose modifying the Thomas amendment along the lines which I have already suggested. If that can be done, I think a modified Thomas amendment is best. If it is not done, the Thomas amendment may be defeated, but the opposition to OPA's bungling of the meat situation, which will continue if the law is not changed, will continue to rise throughout the country with the result that the real objectives of OPA will be in danger. I want to do what I can to avoid that. Although I know we disagree about it, I feel that in the long run what I am seeking to accomplish is much more in the interests of labor and everyone in the country than is the position which you have taken.

In connection with this issue, as is the case with most controversial issues, labor is not of one mind. Some labor leaders have already told me that they recognize the soundness of the position which I have taken in this fight. For example, late Saturday afternoon one of the high officials of the AFL sat in my office and told me that he agreed with the position which I had taken. However, I told him that whether he agreed or not, I was satisfied that I was right in the premises and that whenever I was convinced of the soundness of my position I intended to vote in accordance with my convictions, irrespective of whether labor or any other group in the country agreed with me.

Likewise various officials of the CIO in my own State, and nationally, have

urged me to vote against the Thomas amendment. I have replied to them to the same effect as I have replied to representations made to me by the AFL. Thus last Saturday to a CIO official I sent the following wire:

In reply your letter June 5 wish to say that my investigation of OPA policies just completed convinces me that I should vote against Taft amendment but unless administration forces take steps to provide OPA law for protection to livestock industry from OPA's bungling and costly mistakes of past 2 years affecting that industry, I shall vote for Thomas amendment. Have done everything possible to obtain satisfactory action from OPA to correct costly mistakes which have brought great injury to Oregon livestock producers, but without success. I appreciate that labor groups are opposed to Thomas amendment; however, I am satisfied that amendment would be much less harmful to labor than continuation of OPA's mistakes in handling of livestock industry. Further, I think it is a mistake for labor to oppose protecting small livestock producer and small processor who is at present time being seriously injured by OPA policies. Likewise, I am convinced that present OPA policy as it relates to livestock industry involves application of principle of reducing production in very midst of meat shortage and a starving world. It does not make sense to me. I have spoken on matter three times in Senate in past 3 days and refer you to my views expressed in RECORD. I tried to get some of my friends on Democratic side to modify Thomas amendment in conference with Bowles, of OPA, but without success, although they admitted without exception that OPA's present policy in regard to meat situation is doing great injury to livestock producers and processors of Oregon and other States.

Now, Mr. President, when I say that the livestock producer and the farmer are hurt by the present OPA policy, I think I know what I am talking about. I come to the Senate not only with an agricultural background but with close association with farm groups in my State. What happens is that the small farmer, who produces only a relatively few head of cattle, sheep, or hogs for the market, frequently finds himself under the OPA quota policies unable to sell his livestock to the non-Federal-inspected slaughterhouses and processing establishments in his local community. What does he do then? He either has to let that fat stock which is ready for market shrink by taking it out of the fattening lot and turning it back to pasture, or he has to sell it to the livestock commission buyer who does buy for the big packers and who ships the livestock purchased on commission in carload lots to the big packing house stockyards. However, the joker in that procedure is that this commission buyer is able, as the result of the application of OPA restrictions, to force the small farmer and livestock producer to sell his livestock at considerably below ceiling prices. That little joker is costing the small farmer and small livestock producers of this country great losses and yet we hear Senators stand up on the floor of the Senate and paint a rosy picture depicting the farmer as making great profits out of livestock production. Their statements constitute a travesty upon the facts.

One other point, Mr. President, needs to be mentioned in regard to the hardships upon the small producer which flow from OPA's policies. Every man in the Senate who knows anything about livestock markets knows that if a packer withholds buying in the market for as much as 1 day, or half a day, when a producer's supply of livestock on the hoof is ready to be shipped, or has been shipped or trucked to the stockyards, that packer can deflate the market price for that day all the way from 50 cents to \$2 per hundredweight. It is that type of a squeeze play which OPA policies are forcing livestock producers into. Every time a small processing plant or small slaughterhouse goes out of business in the State of any Senator here, the position of the big packer is strengthened accordingly. It is the small processor, the small slaughterhouse operator, who performs the great public service of maintaining an available market in the small communities of our Nation for the small farmer and the small livestock producer. Those who are opposing the principle of the Thomas amendment are playing into the hands of the big packers. Yet, I have had Members of the Senate say to me that in supporting the principle of the Thomas amendment, I am supporting a big packers' proposal. Nothing could be further from the fact because just the opposite is true.

At the risk of undue repetition, Mr. President, I want to emphasize again a point which has been made over and over in this debate and that is the point that there is a direct relationship between the maintaining of our small processors and our small slaughterhouse operators on an economic basis which makes it possible for them to operate at a profit if we are to maintain the maximum production of livestock which is solely needed in this starving world. The hog situation of last year proves my point. The small processors and the small slaughterhouse operators could not make a profit on beef, so what did they do? They quit buying it in any great amounts. Incidentally, as a result of their not buying and processing beef, many millions of pounds of beef were lost to the American public through shrinkage because great herds of fat beef cattle, ready for the market, were in fact turned back to the range because the processing plants would not buy them and process them at a loss. As I said on the floor of the Senate the other day, that is an excellent example of OPA's bungling and stupidity. It was an inexcusable disservice to the American consumer. It has proved to be very costly from the standpoint of beef production.

The Thomas amendment seeks to prevent the repetition of that ghastly economic mistake. When the small processors could not process beef at a profit, what did they do? Naturally, they sought to stay in business, so they took cognizance of the fact that there was a very heavy production of hogs available for the market. They proceeded to buy hogs at less than ceiling prices. In testimony before congressional committees, the processors have been very frank about that fact. They pointed out that they

paid less than ceiling prices for hogs in order to make up for losses on beef, but the fellow that suffered the real loss was the producer of hogs. I repeat, the American hog producer last year suffered a great loss because of this policy of bungling on the part of OPA. What was the result of that? Brood sows on the farms of America were drastically cut in number. Thus this season we have a hog shortage because the farmer could not afford to raise hogs and run the risk of further bungling by OPA.

I have already spoken on another occasion at some length in regard to the same sort of costly mistakes on the part of OPA in regard to the production of sheep. Tackle this problem, Mr. President, from any angle you care to. You inevitably find that the cause for the serious maladjustments in America's meat problem stems from the bungling OPA policies which that group of nonrealists and armchair theorists have foisted upon the processors and producers of America's meat supply.

When I say that the destroying of the businesses of the small processors and small slaughterhouse operators has a very direct bearing upon the production of meat, I am well aware that the accuracy of that statement has already been established by the debate which is already in the RECORD. As I have already pointed out, the small processor and the small slaughterhouse operator could not make a profit on beef, so a year ago many of them tried to turn their plants into sausage plants. For example, I cite as one witness a very distinguished public citizen of my State, a small processor and packer in Oregon, Mr. Nebergall, of the Nebergall packing firm, of Albany, Oreg. He pointed out to me that they practically stopped the slaughtering of beef in his plant because they could not take the losses. Then they proceeded to process hogs. He laughed when he talked to me, and he said, "We almost became a sausage plant."

A year ago, as pointed out by the OPA, there was a surplus of pork. So the processors and packers, who were taking a beating on beef, reduced the price on live pork. Then, under the economy of scarcity program of the War Food Administration, farmers were told by the War Food Administration and, in my judgment, in cooperation with the OPA, to reduce the production of hogs. Statistics vary as to what that reduction has been, but I do know that there is a great scarcity of hogs today directly as a result of the policy of the OPA a year ago. Processors had to buy hogs at prices far below ceiling in order to meet the over-all plant profit test of the Armour case. The result was to discourage hog production, and every housewife in America is paying for that OPA mistake today. Of course, if a processor cannot make a profit on beef, he has to make it on something else. So he has been taking it out on the hog producer. So to say that the farmers have been making profits on meat production during the past year is sheer nonsense. Let the gentlemen who are making that argument go to the hog producers of this country and try to sustain that argu-

ment on the basis of their operations. Let them look at the books of the thousands of farm operators who have been raising hogs, and let them see whether hog producers are making money. Mr. President, the result of the OPA meat policies has been to put hog producers out of business or in the red. And so I assert, Mr. President, that meat production has been reduced as a result of an OPA policy which has put small slaughterhouse operators and the small processors out of business in large numbers. It must be stopped.

What would be economic statesmanship on the part of the OPA at this hour? Mr. Bowles should be making suggestions to the Senate as to how the principles set forth in his letter to the senior Senator from Oklahoma [Mr. THOMAS] can be enacted into law. There are those among us who believe that he will not administratively do the job which he professes in his letter to the senior Senator from Oklahoma that he will do. I wish Mr. Bowles and his associates would get off their high horse and help the administration leaders prepare an amendment which will carry out the suggestions I made in my remarks on the floor of the Senate last Friday. For the purpose of the RECORD I insert those remarks at this place into this speech of today:

Mr. MORSE. May I comment on the remarks of the Senator from Arkansas, because I am interested in his remarks that the Thomas amendment would have the effect of destroying the program of OPA. The same argument has been made by other Senators this afternoon. We have a "Wolf! Wolf!" sheet, propaganda sheet, put out by OPA today and placed in the RECORD, I believe. Every time we seek to bring a little law and order, and fair dealing into the procedures and policies of the OPA we are charged with trying to defeat the objectives of OPA. Thus we are treated today to OPA's latest propaganda sheet, claiming that the Thomas amendment will destroy price control. Now, Mr. President, the objectives of OPA as legislated by the Congress are nonpartisan. Unfortunately I am afraid the administration of OPA has become very partisan.

I do not think that one attempt to keep the small processors and slaughterhouse plants in business will increase the cost of living, as alleged by Mr. Bowles. I may say to the Senator from Arkansas that Mr. Bowles yesterday, in a letter to the Senator from Oklahoma [Mr. THOMAS], said this:

"Recognizing the critical shortage of meat and the imperative need of avoiding any impediment to maximum production, and even distribution, this Office, in addition to satisfying all the various mandatory requirements of the present law, will see that the products of each of the three main groups of livestock—cattle and calves, hogs, and lambs and sheep—are each, separately considered, on a profitable basis.

"To the fullest practicable extent, the Office will see that each of these groups of products is separately profitable at all times, regardless of live-animal prices. It will at all events see that each group is separately profitable on an annual basis."

Mr. President, I think the OPA ought to try to reconcile the Bowles letter of yesterday with the Bowles pressure sheet of today. They are irreconcilable, since under the Thomas amendment the OPA will be required to do what Mr. Bowles promises in his letter he will do. However, in his letter of yesterday Bowles was very careful—he is always very careful to use that type of language which permits him to do just as he pleases. Thus, he uses the "sleeper clause," "to the

extent practicable." In other words, when it serves the discretion of the OPA to see to it that the investigations are made so that these slaughterhouses can operate on a profitable basis as to these three categories of livestock, he will do it; but when it does not serve his purpose, then he can take refuge in language of his letter, which permits him not to do it.

I want to say to the Senator from Arkansas that I view it as very important to our food-production program that these slaughterhouses be kept in business so that they can take care of the meat supply of this country and put more meat on the tables of American workers.

Also, the tables of peoples in other parts of the world are going to need it under our international program. I do not agree that the Thomas amendment is going to destroy OPA. Rather, it is going to help OPA, if OPA will carry it out in accordance with the spirit and intent which Mr. Bowles professes in his letter of yesterday. Personally, I would like to see the Thomas amendment modified so as to protect the public from inefficient operations of packing houses and from profits by packers beyond a reasonable amount. Possibly it would be wise to require the processors and packers to get a ruling from the Director of Economic Stabilization in case OPA, under the policy of the Thomas amendment, finds that the price required to keep a particular packer in business at a profit would be unstabilizing. I would vote for some such modification; but unless the OPA is willing to accept some legal requirement setting forth in the law itself the promises of Mr. Bowles in his letter of yesterday free of an escape clause, I shall vote for the Thomas amendment. We must stop OPA from ruining the small processor and packer and discouraging the production of larger quantities of meat.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MORSE. I am very sorry, Mr. President, but I wish to say that at the beginning of my remarks, when the Senator from Kentucky was not present in the Chamber, I gave reasons for not wishing to yield during the course of my speech. I shall be very glad to yield for questions after I shall have concluded.

Mr. President, the basic issue which, in my judgment, has not been discussed sufficiently in this debate, is whether the Congress of the United States wishes to allow the decision of the emergency court in the Armour case to stand. If that is what the OPA Act means, the decision will result in a perpetuation of evils about which we are complaining. We are the only ones who can change that decision. We can change it in the sense that we can adopt an amendment to the act which will so modify it as to make perfectly clear to any court in the future that the over-all profit test shall not be applied.

Mr. President, I think it is a great mistake to argue that administratively the type of principle which is argued for through the Thomas amendment will break down the effectiveness of the OPA. That same, "Wolf, wolf," cry was made a year ago, as the records of the committee hearings will show, when the Bankhead amendment was before the Senate committee for its consideration in regard to the subject of cotton. It was then said in effect, "If this amendment is enacted into law the pricing policies of OPA will break down." Have they broken down in the sense that OPA uses

the term? No, they have not. I am not impressed by the dire predictions of OPA. The time has come when we should notify Mr. Bowles to proceed to carry out what was the spirit and the intent of the Congress of the United States when it enacted the OPA Act, the interpretation of which, as expressed by Mr. Bowles and by the court in the Armour case, is in violation of the spirit and the intent of the act as contemplated by the Congress.

As I have said before, I wish there were some modifications in the Thomas amendment. I have been very frank about it in debate, and in conference with some of the Members of the Senate on the other side of the Chamber. I think that the danger of the Thomas amendment in its present form is that it may put a premium on inefficiency in the operation of packing plants. Hence I would be perfectly willing, so far as I am concerned, to agree to a modification in the language which would give OPA a right to make an appeal either to the Director of Economic Stabilization, the Director of War Mobilization, or to the War Mobilization Board, whose opinion the Senator from New York [Mr. WAGNER] quoted a few minutes ago. I believe the OPA should have the right to appeal to some such officer or agency if the OPA believes that a price which it might have to allow the processor or a subsidy would be unstabilizing. However, to leave the matter to the OPA, on the basis of the OPA's sorry record in the handling of meat, would be a great disservice to the country and I cannot vote for it. Congress should see to it that the act is amended so as to prevent Mr. Bowles from making further costly mistakes against the public's interest.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. A while ago the Senator suggested that there should be a modification of the amendment which has been offered by the Senator from Oklahoma [Mr. THOMAS]. I merely wish to say that I have prepared, and will offer when the time comes, a substitute to the Thomas amendment which would do precisely what has been suggested in Mr. Bowles' letter to the Senator from Oklahoma. I hope that when the amendment is offered and discussed I shall have the attention of the able Senator from Oregon.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HICKENLOOPER. I think the Senator from Oregon has very ably presented a phase of the situation applicable to the State of Oregon. I invite attention to the fact that I have received three or four typical letters from various businessmen. One of the letters has come from a small merchant who is engaged in the restaurant business. Another has come from an ice company, another from a lumber company, and another from a wholesale manufacturer of cotton goods. They are all from my State. This morning I received 90 letters from various persons in my State in complaint of the various shortcomings of the OPA, and what it is doing. If I may have the permission of the Senator from Ore-

gon I should like to read brief sentences from each of the letters.

Mr. MORSE. I suggest to the Senator from Iowa that if he will permit me to continue in order that I may be sure that I have time to complete my remarks, I will then yield to him for the purpose he asks if I have any time left over.

Mr. HICKENLOOPER. Very well.

Mr. MORSE. Mr. President, I ask unanimous consent to insert in the RECORD at appropriate places in my remarks certain material which I was not able to cover, or thought I was not able to cover, because of the limitation on time which had been agreed to. The material to which I refer deals principally with the problem of the black market which has, in my opinion, been accentuated by the meat policy of the OPA. The material deals also with findings of committees of both the Senate and the House. It also deals specifically with policies which I believe we shall have to adopt if we are to prevent OPA from continuing to create crisis after crisis in the handling of consumer products in this country. We must take steps now to prevent OPA from setting back our conversion program to the great detriment of the country. That is sure to happen if we continue to permit it to bungle and bungle. The OPA must be forced to conduct itself in accordance with sound economic policies.

The PRESIDING OFFICER. Without objection, the unanimous-consent request of the Senator from Oregon is agreed to.

Mr. MORSE. Mr. President, it has already been pointed out in this debate that the OPA meat policies have been productive of one thing, but a very undesirable thing—namely, the widespread black market in meat throughout this country. Testimony before House and Senate committees leaves no room for doubt on this point. The special committee of the House, in its report filed May 1, 1945, had this to say in part about the black market:

BLACK-MARKET EXPANSION

Evidence of this is to be found in the constantly developing reports of black-market operations. Naturally it would not have been and could not have been the privilege of the committee to develop a sufficient staff of investigators to run down and prove or disprove all of the statements and rumors which have been made concerning the mishandling of food, the channeling of meat supplies into improper hands, and the actual sale of it at prices far in excess of the Office of Price Administration ceilings or without the surrender of proper ration points.

The committee, however, did receive in its meetings in New York what it regarded as substantial evidence that a large portion of the retail establishments in New York dealt in meat at above ceiling prices. To support our opinion that the evidence was reasonably conclusive, the committee had on the stand testifying before it a Government official whose responsibility it is to gather market quotations. It was his testimony that a substantial percentage of meat in New York moved at the wholesale level in black-market channels, and his experience was sufficiently specific so that he was able to quote for the committee the exact black-market prices then prevalent in New York on the various grades of beef. These prices were approximately 100 percent above the legal ceilings at the wholesale level on the various grades.

If the customary mark-up practice was followed by the retail store, the retail price to the consuming public was more than double the legal ceilings.

In confirmation of that testimony, the committee heard from various consumer groups statements that steak sold customarily in New York at from 75 cents per pound to more than \$1 per pound. These reports were confirmed by numerous witnesses who had either seen sales made at those levels, or had been present within stores when actual transactions had taken place. Numerous witnesses under oath concurred in this testimony.

The committee felt itself justified in believing that the black-market operations in New York City were increasing rather than diminishing, and that the price was steadily rising. Indicative of this was the fact that some 5 weeks prior to the trip of the committee to New York, it had received from a well-informed executive of a packing concern a market quotation indicating that the prevailing going price for a carcass of good beef in New York was \$30 above the ceiling price. At the time the committee visited New York, the going black-market price was reliably given as \$100 per carcass above the legal ceiling price.

INFLATION IN BLACK-MARKET PRICES

This surely indicates the inflationary spiral that quickly moves into the black-market operation, and indicates as well the cost to the American public of not being able to control the price of meat and hold the line on the important part of the American diet.

The best evidence of the dislocation that has taken place in our meat distribution system is the fact that legitimate processors of meat and legitimate wholesale and retail distributors of meat find it increasingly difficult to secure supplies to meet the civilian requirements while those engaged in black-market operations seem to have an abundance of supplies both at wholesale and retail levels.

Many legitimate dealers, both in processing, wholesaling, and retailing, are being forced out of business because they are trying to hold the line and comply with Government regulations.

I want it distinctly understood, Mr. President, that I hold no brief for any processor or slaughterhouse operator in this country who has engaged in the black market. I do not condone such conduct—I condemn it. However, Mr. President, neither my protest nor the protest of any other Senator will change human nature. The fact remains that the meat policies of OPA, which made it impossible for hundreds of small processors and slaughterhouse operators to do business at a profit, unquestionably caused some of them to play the black market. I am convinced, Mr. President, that the adoption of the basic principles of the Thomas amendment would be the most effective blow that could be struck against black-market operators in this country. It would do more to check black-market operations than 10,000 economic gestapo snoopers turned loose upon the public by OPA.

What is most important of all, Mr. President, the basic principle of the Thomas amendment, if adopted by the Congress, would effectuate what, I think, was the clear mandate of the Congress when it passed the OPA act. That mandate was in effect repealed by the OPA emergency court in the Armour case, by way of judicial legislation which, in my humble judgment, cannot be reconciled either with the function of the court or with the clear letter of the law. Why do

I say that, Mr. President? I say that because the Price Control Act specifically directed the OPA to fix maximum prices which would be fair and equitable. The emergency court's ruling which sustains the OPA's price policy of fixing prices on the basis of the over-all-industry earning test was neither fair nor equitable to the small processor and the small slaughterhouse operator who cannot possibly meet the over-all-industry earning test because of the very nature of his operations. He does not have the highly profitable side lines enjoyed by the big packers. The little fellow does not make sporting goods and all manner of side-line articles out of the offal and waste parts of the beef carcass which the big packers, through their mass-production methods, have been able to turn into a profitable business. Furthermore, it should be remembered that some of the profits that the big packers, which OPA includes within its calculations of the over-all-industry test, are profits which are made from products that in fact have no relationship whatsoever, or no connection, with the slaughtering and processing of meat.

Under the OPA test, if Wilson & Co. or Swift & Co. were the manufacturers of automobiles, it would be just as sensible to have OPA include, within the profits calculation, any profits which they might make from the manufacture of those automobiles, as it is for OPA to include the profits which these packers do make from sporting goods, side-line products, and profits from other products not produced by the small processor and slaughterhouse operator. The over-all industry profit test, devised by OPA and approved by the emergency court, not only has no relationship to the realities of the situation but is not in keeping with the ordinary dictionary meaning of the language used by Congress when it said in the OPA Act that maximum prices shall be fair and equitable. There is nothing fair nor equitable about the test and we are paying a dear cost for the serious mistake which OPA made when it adopted the test and when the emergency court compounded the wrong. Fairness and equity dictates that Congress should put both the OPA and the court right in the matter of the intent of Congress. I repeat the OPA Act imposed a congressional mandate upon the policy makers in OPA and upon the emergency court, namely, that maximum prices shall be generally fair and equitable. Clearly the over-all industry profits test devised by OPA and sanctioned by the court is neither fair nor equitable.

I thoroughly disagree with the statement of policy as expressed by Mr. Brownlee, Deputy Administrator of OPA, when, in his testimony before the Senate Banking and Currency Committee on March 2, 1945, he said:

The industry earnings standard, as you recall, is our primary guide in carrying out this requirement. We believe that if prices are to be "generally fair and equitable," a price increase is ordinarily required when the earnings of an industry from its operations as a whole, before income taxes, fall below its peacetime earnings, appropriately adjusted for changes in investment.

I say I disagree with Mr. Brownlee because the record, as shown throughout this debate, convinces me that the industry earnings standard imposed by OPA upon the meat industry of this country has squeezed out, and is squeezing out, of business hundreds of small processors and slaughterhouse operators. A great injury to the economic security and to the food supply of America is resulting from this unsound policy which Mr. Brownlee attempted to defend before the Senate committee.

Now, Mr. President, much has been said throughout the debate about special remedies and special programs which OPA and other Government agencies seek to put in operation in order to solve the critical meat problems confronting the Nation. Reference has been made to the so-called 10-point program. However, the House special committee, in its report filed May 1, submitted a very negative report on that program. This is what the House committee said in part:

In the opinion of the committee the 10-point program announced on April 23 by the Office of War Information in behalf of the Office of Economic Stabilization, the Office of Price Administration, the War Food Administration, and the War Department to secure an increase in the production of beef and pork, is for the most part unsatisfactory and will not materially increase meat supplies. The program will not restore confidence among producers, and under it legitimate processors and distributors are still required to lose substantial sums in order to comply with ceiling prices. It will take more than half-way measures to secure additional meat for the people and stop black-market operations.

The program fails to remove the price squeeze confronting feeders of cattle and offers little if any incentive for farmers to feed cattle and thereby materially increase the amount of beef for the Nation.

I do not propose to pass final judgment on the 10-point program at this time, Mr. President, but I am greatly impressed with the criticisms of it made by the House special committee. May I say parenthetically that I have great confidence in Mr. ANDERSON, the newly appointed Secretary of Agriculture, and I note that he was not enthusiastic about the so-called 10-point program.

I sincerely hope that when he assumes the duties of his office, he will exercise, without delay, the powers of that office to the end of doing everything possible to straightening out America's meat problem. I am convinced that one of the things he will have to do is convince the administration that OPA's policies must be drastically changed. I am convinced that he should use his influence to get this administration to see that if OPA continues to apply the over-all industry earnings test, the bungling of our meat supply will continue. Referring again, Mr. President, to labor's interest in this controversy, may I point out in passing that the many hundreds of small companies processing agricultural products are a very important source of employment in America.

We are already being confronted with an unemployment problem and I regret to say that I think it is going to get

steadily worse during the first stage of the reconversion period. We need to keep every wealth-creating job that we can. We need each and every one of the jobs provided by the small processors and slaughterhouse operators. Yet the OPA's meat policies, the over-all industry earning test which some spokesmen for labor think they want to have continued, are destroying jobs for American workers.

I say that it is not the principle of the Thomas amendment which is injurious to labor, but it is the policies of OPA itself in relation to the meat industry which are injurious to labor, injurious not only because of the jobs which those policies are destroying but because those policies are conducive to the creation of a great black market in meat. Labor, more than any other group in the country, suffers from the outrageous prices of the black market. Workers need meat, they need much more meat than they are getting in America today. I charge that OPA's policies have wasted meat, they have deprived the workers of the country of meat which otherwise would have been available to them.

I charge further that OPA's policies have played into the hands of the big packers and will prove to be much more costly to the American worker than will be the basic principles of the Thomas amendment, even if that amendment should be effectuated by certain slight price increases for some cuts of meat rather than by way of granting subsidies. However, I repeat, Mr. President, that I have yet to see any evidence presented in this debate which supports the contention of any Senator that the result of the Thomas amendment will be an increase in the price of meat. That allegation has been made but no proof has been presented.

When it is pointed out to the Senators who make the argument that the Thomas amendment will result in a great increase in price of meat, that the meat can be handled by way of subsidy, we are met with silence. At this point, Mr. President, may I also emphasize that if the Thomas amendment becomes law, it does not mean that OPA will have to check the books of every processor in the country. That argument which has been made by some Senators in this debate simply is not so. What will happen, if the principle of the Thomas amendment is adopted, is that any processor who claims that he cannot operate at a profit under maximum prices, fixed by OPA, will have to come forward with his books and establish a case for himself. It should be obvious to every member of the Senate that no processor who is guilty of mismanagement or inefficiency of operations is going to attempt to defend such practices and seek price relief or a subsidy in order to perpetuate them. I claim that only those processors who can make a good case for themselves, only those processors who in fact find that the prices set by OPA are unjust, unfair, and inequitable to them, will come forward under the Thomas amendment and ask for the relief to which I say, in all justice, they would be entitled.

In closing my argument, Mr. President, I wish to mention one other point.

I note that the principle of the Thomas amendment is identical with the principle of the Bankhead amendment of last year that was passed by the Congress applicable to the cotton industry.

I trust, Mr. President, that a principle of logrolling in the Senate is not to be adopted as the determinative policy for passing upon a matter of such great national concern as that involved in fixing generally fair and equitable prices within the terms of the OPA Act. I claim that the language of the OPA providing that prices fixed by OPA shall be "generally fair and equitable" should be applied equitably and fairly and without unjust discrimination. I claim that a generally fair and equitable margin should be allowed for processing by the small processors and slaughterhouse operators of the country. However, the over-all industry earnings test, adopted by the OPA and approved by the Court in the Armour case, involves a misapplication, in my judgment, of the language of the act itself. As a result, the great meat industry of this country, so vital to our food supply, is in danger of suffering irreparable injury as a result of OPA bungling. I feel that those in the Senate who voted for the Bankhead amendment last year, as that amendment relates to the cotton industry, cannot justify opposing the Thomas amendment because even the language of the Thomas amendment is almost identical with the Bankhead amendment. I do not suggest that those who supported the Bankhead amendment should support the Thomas amendment on the basis of any vote-trading proposition, because I shall not be a party to that sort of legislative practice, but I do say to those Senators that I have yet to hear any argument for the Bankhead amendment which is not equally applicable to the meat industry under the Thomas amendment. Mr. President, in closing, I wish to say that time does not permit my discussing these vital questions in greater detail. I appreciate very much the attention which the Senate has given me, and I sincerely hope that at least a majority of the Senate will vote to protect the small processors and slaughterhouse operators in America and thereby vote to protect directly and indirectly the small farmer and the small livestock producers in the country. Such a vote will at the same time be a vote to protect the food supply so vital to American labor and consumers generally. I trust further that a majority of the Senate will serve notice this afternoon on the OPA and its Director, Mr. Bowles, that their bungling of America's meat production must cease and that the OPA must conform its policies to the spirit, intent, and letter of congressional enactments.

Mr. MORSE. I now yield to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I am about to read a sentence or two from a letter which I have received from a restaurant operator in a small town in Iowa.

The PRESIDING OFFICER. The time of the Senator from Oregon [Mr. MORSE] has expired.

The Chair recognizes the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Gerry	Myers
Austin	Green	O'Daniel
Ball	Guffey	O'Mahoney
Bankhead	Hart	Overton
Barkley	Hatch	Pepper
Billbo	Hayden	Radcliffe
Brewster	Hickenlooper	Reed
Bridges	Hill	Robertson
Briggs	Johnson, Calif.	Saitonstall
Brooks	Johnson, Colo.	Shipstead
Buck	Johnston, S. C.	Smith
Burton	La Follette	Taft
Bushfield	Langer	Thomas, Okla.
Butler	Lucas	Tobey
Capper	McCarran	Tunnell
Chandler	McKellar	Tydings
Chavez	McMahon	Wagner
Donnell	Magnuson	Walsh
Downey	Mead	Wherry
Ellender	Mitchell	White
Ferguson	Moore	Wiley
Fulbright	Morse	Wilson
George	Murdock	

The PRESIDENT pro tempore. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, I am anxious, as I am sure all other Members of the Senate are anxious, to get a vote on the pending proposal and to dispose of this legislation today. It is in that mood that I trespass now upon the time, and probably upon the patience, of the Senate for a little while to discuss the pending amendment and the price situation as a whole, following which I propose to offer a substitute for the Thomas amendment and to discuss it briefly.

Mr. President, I think we all agree that the Stabilization Act and the Price Control Act cannot now be abandoned. No Member of the Senate is enough of a prophet to predict how long it will be required to continue these controls; but certainly the time has not yet come when we can abandon them.

The Committee on Banking and Currency held exhaustive hearings upon the whole subject and back in March voted to report the joint resolution extending the Stabilization Act and the Price Control Act for 1 year. While the subcommittee was preparing the report on the extension the meat situation became acute, and an investigation was had by the Committee on Agriculture and Forestry of the Senate and by a similar committee in the House of Representatives. Because of that and in the hope that it might clear up, the committee did not report promptly the measure extending the Stabilization and Price Control Acts for the one year which it had voted unanimously to do.

Last week the committee reassembled and considered the whole subject anew, notwithstanding its previous action, and reopened the matter for the consideration of amendments. The result was that the committee reiterated its previous attitude and voted against all amendments to the joint resolution, except a reduction in the time of the extension, and reported it providing for a 1-year's extension without other amendment.

The Senator from Oklahoma has offered an amendment to the joint resolution which, in effect, if not by its terms, provides that in the fixing of maximum prices "it shall be unlawful to establish or maintain against any processor"—that is, any single processor anywhere in the United States—"a maximum price for any major product (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) resulting from the processing of any agricultural commodity, or maximum prices for the products of any species of livestock (such as cattle, hogs, or sheep) (the products of each species of livestock to be taken as a group in establishing or maintaining such maximum prices) which does or do not equal all costs and expenses (including all overhead, administrative, and selling expenses allowed as expense deductions in computing Federal income and excess profits tax liability) incurred in the acquisition of the commodity or species of livestock and in the production and distribution of such product or products plus a reasonable profit thereon, not less than the profit earned thereon by such processor during a representative base period."

I agree with those who have discussed the amendment in their conclusion that if it should be enacted into law the Office of Price Administration could not fix any maximum price on any processed product, which had been processed from agricultural products, which did not provide after all costs a reasonable profit to every individual processor, no matter how inefficient he might be, no matter how incapable he might be, with his set-up of making a profit, no matter how much his losses may have been prior to the war because of inefficiency. The Price Administrator could not fix a price which would not give him a profit.

Mr. HICKENLOOPER. Mr. President—

Mr. BARKLEY. I hope the Senator will not interrupt. I am limited in my time. I meant to state when I began that I would not be able to yield to any Senator, and until I shall have concluded I hope I shall not be interrupted, because I brought on a limitation myself, and I wish to abide by it. I shall yield when I have concluded, if I have any time left.

I shall state what the result of the adoption of the Thomas amendment would be—and it is conceivable that it might happen in many communities throughout the United States. Suppose there are in a given town or county three or six or a dozen processors of any of the products covered by the Thomas amendment. If the OPA is to carry out its purpose, as it is plainly written in the language, it must either fix a maximum price sufficiently high to enable any efficient processor to make a profit or it must establish a different maximum price for each processor, dependent on the costs of his production.

If it adopts a ceiling high enough to enable the most inefficient in any community to make a profit, it will fix a ceiling high enough to make the most efficient and the most advantageously situated a greater profit than they should

be allowed to make. Or it has to adopt a different ceiling for each processor, which would mean that for every processor of different products which are manufactured from agricultural commodities there would be a different ceiling, depending on the costs, the efficiency, the set-up, the size, and all the elements which go to make up costs. So, the identical product in any community would have a maximum price depending upon the profit or the costs of each individual processor, and there would be no uniformity whatever of prices in any community for any product processed in this way.

We all know what would happen in such a situation. If there were three packers, or half a dozen packers, or processors in my home town, and there were a different ceiling for each one of them, the processor who sold his product and was allowed to sell his product at the cheapest price would get all the business. It would gravitate to him because of the desire to get an equal product at the lowest possible price. Those who sold their products at a higher price would lose the market, which would go to the one who had a smaller price, as fixed by an individual ceiling upon the product which he processed.

If the OPA took the first horn of the dilemma, it would allow the most successful and the most efficient to make greater profits than they were entitled to make. It would be required to do that if it attempted to fix an over-all ceiling high enough to permit the most inefficient to make money. The only other alternative would be to fix a ceiling for each of the processors, in which case, as I have said, the processor who made the product the cheapest would get the business.

Mr. President, I have not time to read it, but I wish to put into the RECORD at this point a letter which I have received, dated June 6, from the Honorable Edward A. O'Neal, president of the American Farm Bureau Federation, who I think is a fairly level-headed and representative spokesman of the farmers of the United States. He is the head of one of the great farm organizations, one of the ablest, and one of the most efficient, and one of the most valuable farm organizations in our country, the American Farm Bureau Federation. In a letter addressed to me dated June 6, Mr. O'Neal discussed the Stabilization Act from the standpoint of the farmers. I have not the time to read the entire letter, but I desire to read the last two paragraphs, and I ask that the entire letter be printed in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., June 14, 1945.
HON. ALBEN W. BARKLEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR BARKLEY: At its meeting on June 1 our board of directors reviewed existing price-control legislation and authorized us to support the renewal of these laws

without amendment at this time. We believe that the existing laws for price control and wage control are adequate if properly interpreted and administered.

Unfortunately, some serious mistakes have been made in the past in the administration of price control, and these mistakes have seriously handicapped farmers. We have made repeated protests to the proper officials and have been assured that these conditions will be corrected. These are matters which must be corrected by administrative action, and there is ample authority in existing laws to do this.

We have asked that adequate assurances be obtained from appropriate officials that these conditions will be corrected through administrative actions. Assurances have been given that parity prices of farmers are going to be protected through price ceilings and price supports; that subsidies will be withdrawn as soon as practicable, but not in such manner as to impair agriculture's parity position; that the various provisions of law to safeguard agriculture will be fully carried out; that the provisions of the Bankhead-Brown amendment with respect to cotton and cotton textiles will be interpreted and applied as intended by Congress; that price ceilings and price floors on livestock and other agricultural commodities hereafter will be announced sufficiently far in advance of production periods to enable producers to make their plans accordingly and will not be reduced during such periods except for emergencies; and that price ceilings will be removed as rapidly as abundant supplies are available.

We believe that too much attention is being given to protecting the interests of processors, handlers, and distributors of agricultural commodities, and not enough to the producers. We do not believe that Congress will be justified in enacting additional provisions for the benefit of processors and distributors, as the existing laws are adequate to properly protect their interests.

There is also a lack of coordination between the various governmental agencies responsible for food policies. We have insisted in the past and are going to continue to insist that such coordination of administration be effectively carried out.

Despite the mistakes that have been made, a great majority of farmers feel that it is imperative to continue price control and wage control at this time. The alternative would be disastrous inflation, which would wreck our entire economy.

We therefore hope that the Senate will pass Senate Joint Resolution 30, as reported by the Banking and Currency Committee.

Sincerely yours,

EDWARD A. O'NEAL, President.

Mr. BARKLEY. Mr. President, it will be noted that Mr. O'Neal points out some mistakes the OPA has made, and I am ready to concede that the OPA has made mistakes. I have pointed out some of them to the officers of the OPA. I have not time to discuss them now. Mr. O'Neal said:

Despite the mistakes that have been made, a great majority of farmers feel that it is imperative to continue price control and wage control at this time. The alternative would be disastrous inflation, which would wreck our entire economy.

We therefore hope that the Senate will pass Senate Joint Resolution 30, as reported by the Banking and Currency Committee.

Mr. President, that is a recommendation on the part of the American Farm Bureau Federation that the joint resolution be passed without amendment.

I have just received from Judge Fred M. Vinson, Director of the Office of War Mobilization and Reconversion, a letter

dated today, transmitting to me copy of a resolution adopted by the Advisory Board, addressed to the Director, which endorses the extension of the Stabilization Act without the Thomas and the Taft amendments. The resolution reads:

Resolved, That the Advisory Board advises the Director that it endorses the extension of the Stabilization Act without the Thomas and Taft amendments.

That is signed by Edward A. O'Neal, head of the American Farm Bureau Federation; James G. Patton, head of the Farmers' Union; Albert Goss, head of the Grange; Eric A. Johnston, head of the United States Chamber of Commerce; T. C. Cashen; Philip Murray, head of the CIO; William Green, head of the American Federation of Labor; William Davis, now the Economic Stabilizer, taking the place of Judge Vinson; and former Governor O. Max Gardner, who is the chairman of the board.

The board adopted unanimously, except for one member who is absent in Europe, the resolution urging the passage of the joint resolution without the Thomas amendment and without the Taft amendment. The men who adopted that resolution represent labor, agriculture, and business and the public.

They adopted another resolution which I shall read:

That the Advisory Board advises the Director that it endorses the extension of the Stabilization Act without amendments.

That resolution is signed by all those whose names I read to the foregoing resolution except Mr. Albert Goss, who voted against the resolution endorsing the extension without any amendments. I assume he did not want to commit himself on amendments that had not been submitted and which he had not studied, but all the other members of the board voted against amendments of any kind, and all, including Mr. Goss, voted for the adoption of the resolution advocating the enactment of the resolution of extension without the Thomas and the Taft amendments.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the two resolutions which I have just read.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

JUNE 11, 1945.

Resolved, That the Advisory Board advises the Director that it endorses the extension of the Stabilization Act without the Thomas and Taft amendments.

Unanimously adopted:

Edward A. O'Neal, James G. Patton, Albert Goss, Eric A. Johnston, George Meade, Nathaniel Dyke, Jr., T. C. Cashen, Philip Murray, William Green, William Davis, O. Max Gardner.

JUNE 11, 1945.

Resolved, That the Advisory Board advises the Director that it endorses the extension of the Stabilization Act without amendments.

For: Edward A. O'Neal, James G. Patton, Eric A. Johnston, George Meade, Nathaniel Dyke, Jr., T. C. Cashen, Philip Murray, William Green, William Davis, O. Max Gardner.
Against: Albert Goss.

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Mr. BARKLEY. Mr. President, I realize that from the very inception of the legislative undertaking to provide stabilization of wages and prices there have been in our country certain elements who were opposed to it. Some were opposed to any sort of regulation of wages or prices. Others have favored a sort of controlled inflation. The Senator from Ohio [Mr. Taft], my friend, for whose views I have great respect and for whose personality I have a deep affection, is one of those who have advocated more or less a controlled—I do not suppose he would call it “controlled inflation,” but controlled gradual increase in prices. He has during the entire life of the Stabilization Act and at the beginning of it announced that he thought the danger of inflation had been exaggerated, and advocated an increase of 10 percent a year in prices and in the cost of living.

Mr. Taft. Mr. President, will the Senator yield?

Mr. BARKLEY. I asked when I began my remarks, not to be interrupted.

Mr. Taft. I wanted to say the figure was 5 percent, not 10 percent; that is all.

Mr. BARKLEY. I think the Senator from Ohio made a speech in 1942 in which he said he favored a 10 percent increase per annum.

Mr. Taft. Gradually decreasing.

Mr. BARKLEY. Of course, if the Senator's idea had been adopted and it had been carried out we would now have had practically a 30-percent increase in the cost of living instead of the 8 percent which we have witnessed. Be that as it may—

Mr. Taft. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. Taft. We have had a 26-percent increase in the cost of living. There was a 10-percent increase per annum for 2 years.

Mr. BARKLEY. Not since the act of 1942, about which I am speaking, was passed. We had a larger increase beginning in 1939, when the war started, but from the time of the passage of the Stabilization Act, which we are now seeking to amend, there has been an over-all increase of only eight and a fraction percent, and since the order was issued to hold the line there has been an increase of only 1.5 percent.

Mr. President, the Senator from Ohio the other day in the course of his remarks mentioned a few horrible examples of what has happened under the OPA. I suppose he could do the same in regard to any activities as the result of the war. I have no doubt that horrible examples could be brought to our attention with respect to the draft law and its administration, and court martials in the field. I have no doubt that we are all familiar with horrible examples in connection with wages and labor conditions which from time to time are brought to our notice. I sometimes think the Senator from Ohio must maintain in his office a hospital for sick business because all those who have any

complaints seem to function through his office. He brings them to our attention whether they come to him by letter or over the radio. The other day he mentioned a horrible example in San Francisco in regard to a restaurant, the St. Moritz, as I recall. I do not suppose the Senate is particularly interested in the St. Moritz Restaurant. The Senator from Ohio referred to it as a sort of joint—lunch counter and a bar. He obtained his information from our good friend the very able commentator, Mr. Fulton Lewis, Jr. I have never been in the St. Moritz Restaurant in California. I do not know how imposing an institution it was before it was remodeled, but it was remodeled and I am told it is now an establishment which has a price range very similar to that which exists at the Fairmont Hotel in San Francisco, which happens to be the headquarters of the American delegation to the San Francisco Conference, where Mr. Stettinius and Mr. Molotov and many other diplomats who represent their countries are content to eat and to lodge.

The President pro tempore. The time of the Senator from Kentucky on the amendment has expired.

Mr. BARKLEY. I will speak on the bill, Mr. President.

Mr. Taft. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. Taft. The point is that the owners of that restaurant have never been able to get permission to open the restaurant, and, although they have spent a great deal of money on it, it is still closed.

Mr. BARKLEY. Has the Senator from Ohio been in it?

Mr. Taft. No.

Mr. BARKLEY. No; the Senator from Ohio has not been in it. He does not know what it is.

Mr. Taft. I have seen pictures of it.

Mr. BARKLEY. The OPA, which ought to know the price range in that locality, advises me that the price range for this horrible example, the St. Moritz Restaurant, is in the same category as the Fairmont Hotel, which is one of the finest in San Francisco, and which houses our delegation to the Conference now in progress in that great city.

Mr. President, I do not wish to regale the Senate with any recital of what has happened under OPA. We know that there are no governmental organizations in the United States, unless it be the War Department—and I doubt if it does—which deal with more individuals and more organizations than do the Office of Price Administration, the Office of Economic Stabilization, and the over-all head of these various activities and agencies, Judge Vinson, who is head of the Office of War Mobilization and Reconversion.

I do not wish to call the attention of the Senate, by repetition, to the profits which have been made by industry during the years under which their prices have been controlled by the Office of Price Administration. Price controls

have been in effect in the years 1942, 1943 and 1944. In 1929 corporation profits in the United States, after taxes, were \$9,300,000,000. That was the peak year of all profits prior to the depression in 1930 and the following years. In 1939 profits after taxes were \$5,300,000,000. In 1940 they were \$7,300,000,000. In 1941 they were \$7,300,000,000. In 1942 they were \$8,300,000,000. In 1943 they were \$9,900,000,000. In 1944 they were more than \$10,000,000,000, after paying all the taxes we levied against the profits of corporations. More than 1,500 corporations and manufacturing concerns increased their profits in 1942, 1943 and 1944, compared with their profits in previous years, notwithstanding price regulations.

According to Dun & Bradstreet's reports, the number of business failures in the United States in 1918 was 9,892; in 1919 it was 6,451; in 1920, 8,881; in 1921, more than 19,000; in 1922, 23,000; in 1929, 22,000; in 1932, 31,000 or more. The number of business failures gradually declined, until in 1944 there were only 1,222 business failures in the United States, in the third year of price control, under an act passed by the Congress with a view of undertaking to prevent inflation and runaway prices, and which, in spite of mistakes, I believe has been fairly and successfully administered by the Office of Price Administration.

The other day the Senator from Ohio referred to the fact that furniture manufacturers and furniture retail dealers were losing money. The profits of retailers increased so that in 1943, compared with the average for the period 1936 to 1939, the profits of hardware retailers in the United States had gone up to 360 percent. That is, they were 360 percent as compared with the average for the period from 1936 to 1939. The profits of furniture stores in the United States had gone up to 168 percent. Profits of variety chain stores were 249 percent as compared with the average for the period from 1936 to 1939.

Small men's apparel stores had profits of 299 percent as compared with the previous period. Department and specialty stores had profits of 1,038 percent as compared with the average of the period from 1936 to 1939. Chain grocery stores had profits of 137 percent as compared with the previous period. Wholesale hardware stores and manufacturers had profits of 179 percent; dry-goods wholesalers 639 percent; and so on through the list. Those are the profits compared with the average for the years 1936 to 1939.

Of course, we know what has happened to the wages of labor. In 1929, the average take-home wage was \$26.95 a week. In 1944, it was \$46 a week.

Farm prices and farm production have gone up. In 1943 and 1944, the farmers of this country produced 25 percent more than they produced on the average in the period from 1936 to 1939, and they received a commensurate increase in their income.

In 1919 farm income was \$8,799,000,000. It went down in 1926, 1929, 1939, and 1940. In 1940 it was \$4,699,000,000. It then began to rise, and in 1944 farm income was \$12,300,000,000, under the Price Control Administration, which it is said

is bankrupting everyone in the United States.

Mr. President, I mention these facts not in order to leave the impression that I believe that these organizations and individuals have made more money than they were entitled to make. I congratulate them upon their record of production and their record of profits. But I mention them in order to prove that in spite of the price regulations, in spite of individual losses here and there, which can never be avoided or completely eliminated, American labor, American agriculture, American industry, and American merchandising have made more money than they made prior to the war. Fewer of them have lost money, on the average, than lost money prior to the beginning of the war in 1939, or prior to the time we entered the war, in December 1941.

It is difficult to give the Senate the benefit of figures in every particular branch of industry. I realize that the meat situation is one which is giving all of us concern. In spite of what the Senator from Oregon [Mr. MORSE] said about the OPA and about Mr. Bowles—and I credit him with sincerity in believing what he has said—I believe that Chester Bowles, Jim Brownlee, Judge Field, the general counsel, and all the others who have fashioned the policy of the OPA have done their level best to be fair and equitable to all branches of American industry, merchandising, agriculture, and labor.

I recognize the impossibility of providing a guaranty of profit to everyone in business, even in time of war. We must admit that war brings casualties in business no less than on the battlefield. I am not one of those who believe that we should guarantee a profit to everyone engaged in business, while boys from almost every family in this Nation are giving up their lives, shedding their blood, and being maimed in the struggle to preserve democracy and to save what we believe to be worth while saving. We have no right or power to guarantee a profit to all those who do not fight, but who stay at home. I do not criticize them on that account, because no one would contend that every man or every woman can fight on the battlefields. But we have a battle line here at home, while our men are fighting and dying, shedding their blood, and being maimed for life on battlefields abroad. Last Saturday night I saw scores of young men who will never see again. While they are undergoing such tremendous hardships, certainly no one should contend that the Government of the United States should guarantee a profit in money to everyone who happens to be in a business or in a profession or in any other activity.

Mr. President, much as I always hate to disagree with my friend the Senator from Oklahoma [Mr. THOMAS], I feel that the adoption of his amendment would be a great injustice not only to the people at large, but to many of those who are engaged in the very industry and activity which the Senator seeks by his amendment to help. The adoption of his amendment and the adoption of the amendment of the Senator from Ohio

would mean an increase in the price of every suit of clothes, every garment, every pair of shoes, and almost every other article of necessity used by the American people. I know there are inconveniences and there are shortages. I do not know how we can avoid all of them.

The other day I went downtown to buy some undershirts for myself. I found a shirt I liked, and it was my size, so I said, "Give me half a dozen of those shirts." The clerk said, "Well, we can give you only two." I said, "Why?" He said, "There is a restriction; we cannot sell more than two to any customer." I suddenly realized that we are at war, and I said, "What is the situation?" The proprietor of the store said, "In 1944, 55,000,000 undershirts were made by the undershirt industry of the United States, and for the first 6 months of 1945 the Army and the Navy demanded or required that they be allowed to purchase 56,000,000, which is 1,000,000 more than all they made last year."

I am not sufficiently informed as to the need for undershirts by the Army and the Navy to know whether they have requisitioned or asked for more shirts than they need, but that is what they have done, and that accounts for the shortage, and that is why I can buy only two. That illustrates why many people cannot buy more than a limited quantity of what they need.

Mr. President, it seems to me that all we should do by legislation is to provide a general pattern. Personally, I myself would prefer no amendment to this Extension Act. I believe the Price Administrator can be trusted to do whatever is necessary to be done, in his judgment and in the judgment of Judge Vinson and in the judgment of the War Food Administration, by whomsoever or in whatever way it may be administered, in order to deal fairly, equitably, and justly, not only with all American business, but especially with agriculture.

A few days ago Mr. Bowles, the Price Administrator, wrote a letter to the Senator from Oklahoma. The Senator from Oklahoma put it in the RECORD the other day, but I will read it now, by way of emphasis:

DEAR SENATOR THOMAS: You have asked for a statement of the policy which the Office of Price Administration will follow in pricing the products of the various species of livestock.

After all, Mr. President, this whole matter has gotten down largely to a question of livestock and meat. I have talked to the Senator from Alabama and to other Senators from the cotton-raising regions. They do not wish to have cotton dealt with or touched in this situation. They are satisfied with the way it is now being administered. They do not desire any change to be made in it or any question raised about it by way of any amendment which might be placed in the measure with respect to textiles.

I read further from the letter to the Senator from Oklahoma:

Recognizing the critical shortage of meat and the imperative need of avoiding any impediment to maximum production and even

distribution, this Office, in addition to satisfying all the various mandatory requirements of the present law, will see that the products of each of the three main groups of livestock—cattle and calves, hogs, and lambs and sheep—are each, separately considered, on a profitable basis.

To the fullest practicable extent the Office will see that each of these groups of products is separately profitable at all times, regardless of live animal prices. It will at all events see that each group is separately profitable on an annual basis.

I have discussed this letter with Judge Vinson and Mr. Davis—

Mr. Davis is head of the Office of Economic Stabilization—

and they authorize me to say that they concur in it.

Mr. President, a Member of the Senate has said: "Why cannot that be integrated into the law? Why, instead of having a letter from Mr. Bowles saying he is going to do this, cannot we have it written into the law?"

I have undertaken to do that, by means of a substitute which I now send to the desk and ask to have read. I offer it as a substitute for the amendment offered by the Senator from Oklahoma.

The PRESIDENT pro tempore. The amendment in the nature of a substitute will be read.

The CHIEF CLERK. As a substitute for the amendment offered by Mr. THOMAS, it is proposed to add the following proviso:

Provided further, That on and after the date of the enactment of this proviso, no maximum prices shall be established or maintained on products resulting from the processing of cattle and calves, lambs and sheep, and hogs, the processing of each species being separately considered, which, taken together, do not allow for a reasonable margin of profit to the processing industry as a group on each such species.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. The amendment in the nature of a substitute, offered by the Senator from Kentucky, does not in any way affect farm prices; does it?

Mr. WHERRY. Mr. President, will the Senator please speak louder?

Mr. BARKLEY. The Senator from Vermont has asked me whether the amendment I have offered in the nature of a substitute would affect prices to the producer—in other words, to the farmer. It does not deal with that question. It deals altogether with the ceilings placed upon processors.

The PRESIDENT pro tempore. The time of the Senator from Kentucky has expired.

Mr. BARKLEY. Mr. President, do I have 15 minutes on my substitute?

The PRESIDENT pro tempore. The Senator has 20 minutes.

Mr. TAFT. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. Am I to understand that 20 minutes will be available to each Senator on the substitute for the Thomas amendment, as well as on the Thomas amendment itself?

The PRESIDENT pro tempore. The substitute is, in effect, another amend-

ment. It is now the pending amendment. It is a substitute for the Thomas amendment. Each Senator may have 20 minutes on the substitute amendment.

Mr. AIKEN. Mr. President, let me ask the Senator whether there is in the substitute amendment anything which provides any incentive for the production of livestock. There is not, is there?

Mr. BARKLEY. No; just as there is nothing in the Thomas amendment which would do that, because the Thomas amendment deals altogether with processors. That is all I deal with in my substitute. I am offering the substitute for the Thomas amendment, which is limited to processors.

As the Senator knows, there is already in the law a provision prohibiting the Office of Price Administration from fixing any maximum price on farm products until such products have reached parity.

Inasmuch as livestock is now selling in the main above parity, there is no occasion to amend the existing law at the present time, with respect to the prices of livestock.

Mr. AIKEN. As I pointed out earlier in the day, both the Taft and Thomas amendments would react to the disadvantage of the farmer, because the processor or the manufacturer may take the cost of labor in to account, while the farmer is not allowed to do that, and it is not taken into account in computing parity. So the farmer is at a distinct disadvantage.

Mr. BARKLEY. I do not think that the substitute or the original amendment would militate against prices to the farmer. In fact, it seems to me that the amendments are likely to militate indirectly in favor of the farmer. They provide a basis of profit for those who process agricultural products. If the processing is put on a profitable basis, there will be a greater incentive and a greater possibility not only of paying the ceiling prices for livestock such as cattle, hogs, and sheep, but if the markets justify, as long as the act is in operation it will perhaps be possible to pay even higher than ceiling prices now being paid for certain species of livestock.

Mr. AIKEN. I do not see how higher than ceiling prices could be paid.

Mr. BARKLEY. We know that cattle, on the whole, are selling above parity.

Mr. AIKEN. If the profit of the processor is guaranteed, the farmer must pay more for his shoes, shirts, and the food which he buys. If he cannot sell his produce for any more than he is selling it at the present time, it looks to me as though any amendment which would increase the farmer's costs would work to his disadvantage and discourage production.

Mr. BARKLEY. From the beginning of this debate it has been contended, as the Senator knows, that because of the losses sustained by certain processors in the processing of livestock of all kinds, they have to that extent been handicapped in paying to the farmer the prices which the farmer should receive.

Mr. AIKEN. They are handicapped at the present time, and some of them have been all the time.

Mr. BARKLEY. There is no way that I can see by which to guarantee that everybody throughout the country may make a profit.

Mr. AIKEN. The Senator's amendment in the nature of a substitute is a definite improvement over the Thomas amendment so far as the public as a whole is concerned. It is no more disadvantageous to the farmer than is the amendment which it seeks to supersede. However, I do not believe that any substitute will straighten out the situation.

Mr. BARKLEY. I myself believe that the Senator has much ground for his assertion. As I said previously, I would prefer that the OPA Act be extended without any amendment whatever. But if there is to be any amendment, it certainly ought not to be one which would require the OPA to examine into the books of manufacturers and into the operations of every single processor of livestock in the United States and fix a figure which would guarantee to him a profit regardless of the fact that even in the prewar days he may not have made a profit.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. OVERTON. As I read the Senator's substitute, it contemplates a margin of profit on each of the species referred to. Assuming that the large packers as a whole sell a much greater volume of each species than all the independent packers put together, and assuming that they readily make a fair profit, they could, perhaps, continue to make a profit while the small packer and the slaughterer would not be so fortunate. I am very much in sympathy with the Senator's amendment. The situation is a very difficult one, but I do not know that his amendment would afford substantial relief to the small slaughterers and independent packers. If a margin of profit were to be based on each group, the large packers might readily make a profit because they are, no doubt, in a better position to make a profit than are the small independent packers. They do much the greater volume of business.

Mr. BARKLEY. Of course, the Senator has touched on one of the most difficult phases of the entire livestock and meat problem. It is very difficult to have identical ceilings upon identical products produced by small and large producers alike, so as to even up the profits. The only alternative for that situation, however, is to fix the ceilings so high that the small processor can succeed in making a profit, and if an identical ceiling be established, the profits of the large company would be increased over what they were theretofore. It seems to me that we must take one or the other of the two horns of the dilemma. We cannot take both of them. We may disregard both of them, but it seems difficult even to do that.

In every community in which there is a diversity of producers located within a block of each other, or even within a mile of each other, two of them can sell at different prices, one making a profit while the other stands a loss. It seems to me that we must accept the horn of the dilemma which gives the over-all

identical price to the community which will buy the product. If we fix a ceiling so high as to make the business of a small company profitable, either the large company will get greater profit out of its business than it should receive or it will undersell the smaller company and garner all the business into its hands.

Mr. OVERTON. I think the Senator's amendment is a vast improvement over the Thomas amendment, but I still believe that it will not relieve the situation entirely. It is very difficult to deal with the situation legislatively.

Mr. BARKLEY. The Senator is correct. It is very difficult to deal with the situation legislatively. It is even difficult to draw a simple amendment which does not possibly do an injustice to someone. However, in an effort to come as near to being fair to all producers and consumers as it is possible to do so, it seems to me that this amendment offers a vast improvement over the one for which it is a substitute.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. FULBRIGHT. Wilson & Co. was cited as an illustration of a packer making a large profit in sporting goods. However, that illustration would not entirely apply to the Senator's proposal. As I read the amendment, it applies to hogs. The large packer has a great diversity of products, such as shirts, baseball bats, and other items of a similar nature. I submit that the Senator's amendment would not entirely cure the situation.

Mr. BARKLEY. Of course, the amendment provides that each category shall be dealt with separately. In other words, a maximum price would be fixed for sheep and lambs as though the producer were producing nothing else but sheep and lambs. Then a ceiling would be fixed on hogs, in dealing with that category separately as if the processor were dealing in that category only. Cattle and calves would be dealt with as a separate category, whether sold as steaks or veal. The purpose is not to put them all together in a sort of hodge-podge of meat.

Mr. FULBRIGHT. On that basis, I do not think there is a great difference between the cost of production as between large producers and small producers.

Mr. BARKLEY. The prices of the so-called Big Four or Big Five are determined on the basis of everything they make and everything they distribute; whereas if they were not making anything except the products of cattle, sheep, hogs, and so forth, their average unit profits might be no greater than that of the average small company that makes none of these extra things in its manufacturing process.

Mr. AUSTIN. Mr. President, will the Senator permit a question?

Mr. BARKLEY. I yield.

Mr. AUSTIN. I should like to ask whether it is claimed that the cause of the shortage of meat is the fixing of maximum prices on meat products with reference to the processor? Is he the person because of whom the application

of the OPA's authority affects by reaction the quantity of production?

Mr. BARKLEY. There is undoubtedly an indirect effect upon the amount of production brought about by what the processor is able to pay the producer for the livestock which he buys.

Mr. AUSTIN. That is not my question. My question is whether it is claimed by those who seek a remedy through the amendment that the trouble is the price ceiling fixed on the processor.

Mr. BARKLEY. Yes; that is one of the claims made; that many of the processors are losing money and many of them have gone out of business for two reasons: They could not get the livestock for one cause or another, and there has been a shortage of hogs recently in the slaughterhouses and in the packing institutions. Whether that was brought about by the price paid to the producer of the hogs is open to question. The ceiling was fixed on the hogs a year and a half or 2 years ago, and the hog producers were importuned to increase their production. They were willing to increase their production at the price fixed, and they produced so many hogs that a time arrived when there was a surplus of hogs. They took their hogs to the market by the train load, and in many cases they found so many hogs there on a given day that the market could not absorb them, and, rather than ship them back home or keep them indefinitely, they sold them at below the ceiling price. Hogs went down, and, because hogs went down, automatically the production of hogs declined, for the price of hogs, or the fluctuation in the price, where the law of supply and demand applies, has a direct relationship to the production of hogs; indeed, the two are almost coextensive.

Mr. AUSTIN. Mr. President, may I ask the Senator another question?

Mr. BARKLEY. Certainly.

Mr. AUSTIN. Does the Senator claim that if his amendment were adopted and went into effect and a reasonable margin of profit were allowed to the processing industry in the group that processes calves, for instance, therefore there would come about as a natural economic result an increase in the rating of calves?

Mr. BARKLEY. I think so, because, assuming that a reasonable profit margin is to be allowed to the processing industry—and I assume that that would be the case, because Mr. Bowles, in his letter to the Senator from Oklahoma, said that is the policy the OPA is going to inaugurate, and I am trying to integrate it into law—and that some of the processors will make profit enough to enable them to pay more for the livestock they process, automatically that will increase production.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I am very much interested in this matter, because, after all, if this amendment is adopted I want to make sure that it reflects back to the cattle feeders and the hog feeders. Does the distinguished Senator from Kentucky contend that if the amendment he

offered should be adopted it would help maintain prices to the producers of cattle and hogs? The Senator mentioned the hog industry and the present market in that industry. Does he think this amendment would correct that situation?

Mr. BARKLEY. I think that to the extent the adoption of the amendment would bring about the maintenance of a profitable margin among those who buy from the farmer livestock, whether hogs, cattle, or sheep, it would automatically reflect a better price to the producer, because that better price could be paid based upon a reasonable margin of profit in the processing industry itself.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

Mr. BARKLEY. I yield.

Mr. WHERRY. Then, basically, there is no difference between the Senator's amendment and the so-called Thomas amendment, except the amendment of the Senator from Kentucky applies to the processors in groups rather than as individuals. Am I correct?

Mr. BARKLEY. It applies to the processors as an industry, as a group.

Mr. WHERRY. Rather than as individuals.

Mr. BARKLEY. Yes; rather than to each individual, for the reasons I have attempted to outline. If it is applied to each individual, there cannot be any uniformity of prices in any community, and if the over-all is fixed high enough to reach the less efficient, the smaller man, it must be made so high that the big man will get more profit than he ought to have.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

Mr. BARKLEY. I yield.

Mr. WHERRY. Then, in choosing between the amendment offered by the Senator from Kentucky and the amendment offered by the distinguished Senator from Oklahoma, we are to determine whether we feel that application of the formula to the individual would be more effective than if applied to the group. Is that correct?

Mr. BARKLEY. Yes; that enters into it. In other words, a Senator's vote probably will be determined, at least in part, by whether he thinks the OPA ought to deal with each individual processor and fix his profit separately, or with the industry of processing as a whole. There is one other difference. My amendment deals only with livestock and meat, whereas the pending amendment deals with cotton, textiles, and so forth.

Mr. WHERRY. I appreciate that explanation, because it was my thought when I made a brief statement on the floor of the Senate last Friday, that it would indirectly benefit the producers of cattle and hogs by helping to stabilize the processors throughout the country, together with the subsidy paid under directive, so that the market would not be depressed and become demoralized and therefore the processors of livestock would benefit. According to the Senator's statement, what we must determine is whether we want the Thomas amendment, which applies to the individual processor, or whether we want the

amendment of the Senator from Kentucky which applies to a group. The amendment of the Senator from Kentucky applies only to livestock, while the amendment of the Senator from Oklahoma applies to other commodities.

Mr. BARKLEY. That is correct. I think that is a fair statement. Of course the subsidy already provided for the feeder and also for the processor of certain types, plus this amendment, in my judgment will so stabilize the processing industry dealing with livestock and meat as to reflect a great benefit upon the producers as well as at the same time directly benefiting the packing and processing industry as a whole.

Mr. LUCAS, Mr. AIKEN, and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield, and if so, to whom?

Mr. BARKLEY. I yield first to the Senator from Illinois.

Mr. LUCAS. I should like to give a little further information in reply to the question asked by the able Senator from Vermont [Mr. AUSTIN].

The weight of steers slaughtered in Chicago is down only 2 percent in 1945 from average weight for 1941-45; but 3 percent more are being slaughtered as good or choice.

Admittedly when cattle prices moved up to ceilings nonfederally inspected packers were put temporarily in a loss position. That is the reason why the packers have been here. They were compelled to pay almost the ceiling price for cattle, and, of course, when they slaughtered them they did so at a loss; but in December of last year up to the present time a series of price adjustments on Army purchases and a series of subsidy increases have removed any but the most incompetent packers from a loss position. Adjustments have added approximately \$200,000,000 annually to packers' gross income. Their increased cost of livestock this year over last year will total about \$150,000,000. That leaves an increase of \$50,000,000 in their net over the cost of livestock. That is approximately the total profits of the whole packing industry, after taxes, before the war.

Mr. BARKLEY. I thank the Senator for that information.

Mr. AIKEN. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I said a few moments ago that I thought the joint resolution would be better without any amendment whatever, but I have been studying the amendment offered by the Senator from Kentucky, and while I cannot see that it will increase production at all, or increase farm income, it is my opinion that it will meet the legitimate complaints which a good many processors have made, and correct injustices which have been committed against many of them. So I wish to say that I am satisfied with the amendment offered by the Senator from Kentucky, and am willing to vote it, because a great many processors have been squeezed almost out of business by OPA regulations, and this amendment seems to me to fill a legitimate need; but it will

not result in the production of any more meat.

Mr. BARKLEY. That may be, but it will have an indirect effect.

Mr. President, how much more time have I on my substitute?

The PRESIDENT pro tempore. Four minutes.

Mr. BARKLEY. There are many reasons which have been assigned for what has happened to many packers and processors. Many of those who have come to see me have complained that they could not obtain livestock in sufficient quantities, and that applies especially to pork. There was a reduction in the production of pork when the price of hogs went down. Another reason probably was the diversion of all kinds of meat to the black market.

The OPA has never really had a sufficient number of enforcement officers to police this country. They have only about one to every county in the United States. Seventy or 80 percent of all the people who work for the OPA are volunteers, and receive no pay whatever, and I am sure that every Senator will understand that with an average of only one enforcement officer to each county in the United States, it is impossible to police the establishments so as to be able to prevent altogether the black market. But I think that the program which has recently been inaugurated by the OPA will go a long way toward lessening if not eliminating the black market in livestock and in meats.

Mr. TAFT. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. TAFT. What does the Senator think the words "a reasonable margin of profit to the processing industry as a group" mean? How could it be figured what a reasonable profit to the industry as a group was? Would it be the average, taking them all and averaging it?

Mr. BARKLEY. Take the group in any region or in any community which processes and sells its processed product to the consumer. Take them as a group, take them altogether, and consider their industry separately in dealing with sheep and lamb, for instance, or hogs, or cattle and calves.

Mr. TAFT. Both the Thomas amendment and the Taft amendment prescribe a definite formula, and would hold OPA to that formula. But the Senator refers to "a reasonable margin of profit to the processing industry as a group."

Incidentally, the "reasonable margin of profit" is entirely in the discretion of the OPA, whereas both the Taft amendment and the Thomas amendment refer to the margin of profit at a typical base period.

Mr. BARKLEY. To be fixed by the OPA.

Mr. TAFT. My amendment is definite; under the Thomas amendment the time is to be fixed by the OPA, but they have to take a definite base period.

Mr. BARKLEY. If we leave it to the OPA to decide, under the Senator's amendment, and under the Thomas amendment according to what the base period is, they could fix it in any year or any group as they might see fit. They

would have just as much discretion in fixing the base period as they would in fixing a reasonable margin of profit under my amendment.

Mr. TAFT. If we leave the finding of "a reasonable margin of profit" to the OPA, we leave complete discretion in their hands, which is exactly what we are trying to get away from, because we do not think that discretion has been properly exercised.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Oregon.

Mr. MORSE. I seek information in regard to the amendment in its final form. There was sent to my desk another draft of the amendment, which read as follows:

Provided further, That on and after the date of the enactment of this proviso, no maximum prices shall be established or maintained on any products resulting from the processing of agricultural products, including cotton, wool, and livestock, which does not allow a reasonable profit to the processing industry as a group.

Mr. BARKLEY. That is not the amendment in the form in which I offered it. I eliminated the provision as to textiles, because those who are interested in the textile industry, and who are operating under the Bankhead-Brown amendment—and that applies especially to cotton products—did not desire the present law interfered with.

Mr. MORSE. I understood that.

Mr. BARKLEY. I eliminated all reference to textiles.

The PRESIDENT pro tempore. The time of the Senator from Kentucky has expired.

Mr. BARKLEY. I thank the Chair and the Senate for their courtesy. I have taken more time than I had intended to consume. I hope the substitute may be agreed to.

Mr. GEORGE. Mr. President, may I ask the Senator one question in the time of whoever has the floor? If no one has the floor, I shall ask for time.

The PRESIDENT pro tempore. The Senator from Georgia is recognized.

Mr. GEORGE. I merely wish to ask one question. Is it the intent and purpose back of the substitute amendment to make it impossible for the Director of OPA in any hardship case to apply any relief formula which he may wish to apply?

Mr. BARKLEY. No; and I thank the Senator for the question. Under the present practice, and under the provisions of the law, the OPA can deal with and they are now dealing with, hardship cases. The burden of proof is on the claimant in a hardship situation to prove he has a hardship, and they are now dealing with such requests and granting relief. It is not intended that this shall in any way interfere with that.

Mr. AIKEN. Mr. President, I merely wish to refer to the statement of the Senator from Ohio in objecting to the term "reasonable margin of profit" in the amendment offered by the Senator from Kentucky. I find on examination

of the amendment offered by the Senator from Ohio that he states:

Costs and margin for any group of processors, manufacturers, and miners shall be the average costs and margins of typical members of the industry to be determined by any reasonable method selected by the Administrator.

Mr. BARKLEY. In other words, in his amendment the Senator from Ohio arrives at the figure by taking an average situation among all the members of a group entitled to come under the language of the amendment, and that is the basis. Of course, there is no more discretion granted under my amendment than under the amendment of the Senator from Ohio in determining what the average would be for costs and margins among all the groups to be considered.

Mr. AIKEN. That is exactly what I wanted to point out.

Mr. BARKLEY. I appreciated that, but my time was expiring just as I was coming to it.

Mr. MORSE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. If I have the floor.

Mr. MORSE. Will the Senator permit me, on his time, to ask the Senator from Kentucky a question? I had not finished my inquiry when the time of the Senator from Kentucky had expired.

Mr. AIKEN. So long as I have the floor, I shall be glad to yield for that purpose.

Mr. MORSE. I should like to refer to the question I was addressing to the majority leader at the time the Senator's time expired. As I said, I note that in the final amendment, as the Senator submitted it, he eliminated the language "including cotton and wool." I understand the Senator's explanation as to why cotton was eliminated, but I am not sure that I am ready to take the position that wool should be eliminated, because I judge that the cotton men do not speak for the wool men, and the same problem which affects the cotton industry likewise affects the wool industry.

I am also in doubt as to whether or not the amendment should be so restricted as to apply solely to meat products. Why not apply it to other agricultural products because, if the principle is sound in regard to meat, it is sound in regard to other agricultural products?

Mr. BARKLEY. In considering whether products processed from agricultural products should be included in any amendment which might be considered, we seemed to confront a situation where there was such a diversity in the products manufactured from agricultural products that it would be very difficult, if not impossible, to enforce the law. For instance, I suppose there are a dozen or two dozen different types of cereal breakfast foods which are made of agricultural products. If we include all agricultural products and require that the processing of all should be placed on the same basis and in the same categories as meats, which have really caused the present chaotic situation, we would burden the OPA with a task which it would be well nigh impossible to perform. I mention cereals merely as one sample of all the products which are finally made from the

commodities that come from the farm. When that situation was called to my attention I felt it was unwise to go beyond what has apparently made these amendments necessary in the minds of many Senators, or desirable, even if not necessary.

The same thing would be true with respect to the products of wool. It would require the OPA to deal separately with every manufacturer of socks and everything that is made from wool, including underwear, shawls, and overcoats. Everything produced from wool would be placed in a separate category, and the OPA would have to consider not only the over-all profits to the processor but, if the Thomas amendment were adopted, to every individual manufacturer or processor of everything made from wool and all agricultural products. Since meat brought about a situation which induced these amendments in the first place, it seemed to me it would be wise to limit our amendments to that field.

Mr. MORSE. Unless I have been misinformed, the OPA is doing that very thing now. OPA is making those studies now.

Mr. BARKLEY. Of course, they are making those studies, and placing over-all prices on products, but they are not undertaking to make a separate ceiling for each manufacturer of all the things made by him from the separate farm products, although under the practice and the law they are now dealing with hardship cases in which any individual manufacturer can make out a case showing that he entitled to relief.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Nebraska, and then I yield the floor.

Mr. BUTLER. At this point I wish to place in the RECORD an editorial from the Omaha Daily Journal-Stockman entitled "Effect of Steer Subsidy in Reverse."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EFFECT OF STEER SUBSIDY IN REVERSE

Those who are keeping the crop planners' scores these days can mark up another error for their latest plan to stimulate beef production by paying 50 cents a hundred pounds subsidy to farmers for cattle weighing 800 pounds or over and worth \$14.25 or over, Chicago basis or \$13.85 at Omaha.

Don't get us wrong. As long as the Government has opened up the Federal Treasury trough, farmers are more entitled than most groups of people these days to feed there. We feel, and have all along, that if subsidies must be paid, let them be paid to the men who really produce the beef, the feeder and raiser of the cattle.

However, the whole new program is falling flat so far as being a stimulating factor in putting more weight on cattle is concerned, or encouraging the farmer to feed more of them. If this is the planners' idea of getting the corn out of the crib and into good beefsteaks, we will have a long wait before we again see the day when we can berate the retail butcher because he left a little extra fat on that 6-pound beef roast, or even hint that he weighed his thumb, too.

As a whole, the entire price arrangement in the cattle market now is less favorable to the man feeding cattle to heavier weights than it was before the planners decided the

industry needed more of their help. There is actually less margin between the short-feds and the prime heavy animals than before. The man with top grade steers on the market has had his price halted by the OPA ceiling. He gets 50 cents extra from the Government, but the man with less desirable animals for sale has had a substantial rise in the market as well as the 50 cents from the Government. The outcome has been a condition that further discourages long feeding.

In many ways the new plan has worked in reverse. It has placed the man whom it was supposed to help in a less favorable position than before it was inaugurated. The price of half-fat feeding cattle, those on the "line," around 800 pounds, has been automatically raised for many farmers because the owners of such stock would rather sell to the slaughterer and collect the extra 50 cents. Unless the feeder meets this increase he does not get the cattle.

Many farmers feel that the trend in the West may be toward holding a larger share of the cattle to weigh 800 pounds or over in an effort to collect the subsidy by selling for slaughter instead of to the Corn Belt feeder. Since the plan has gone into effect there has been little or no increase in the market for top grade steers but the average steer price has advanced to the highest June level in history. Competition of packers in some classes of the fleshy feeders has been stepped up by the plan.

Any program that fails to allow a fair margin of profit for the man who carries his animals to heavyweights on a grain ration will not raise the tonnage of beef produced. While the man with ordinary steers gets record prices for his offerings, the man with prime stock is held down to a ceiling that is 16 percent less than the records set up in the postwar period of World War I. The penalty is equivalent to about \$3.50 a hundred pounds.

When the old war records were established for top steers the average steers brought \$7 under the top. The spread now is about \$1.50.

Mr. PEPPER obtained the floor.

Mr. CHANDLER. Mr. President, will the Senator yield to me for a moment to ask the Senator from Vermont a question?

Mr. PEPPER. I remind the able Senator from Kentucky that since there is a limitation of time placed on Senators his question should be brief.

Mr. CHANDLER. It will be. I understand, Mr. President, the Senator from Vermont does not claim anything for these amendments except that ultimately, if they are adopted, it will be necessary to yield to the discretion of the OPA, which is something we are doing now; and if that is so, we simply give the OPA discretion as to what they shall do in connection with the amendment.

Mr. AIKEN. Both the Taft and the Barkley amendments have that effect. I have not studied the effect of the Thomas amendment.

Mr. CHANDLER. Then it is the Senator's judgment, is it not, that if we adopt either of the two amendments, we shall simply be doing a futile thing, because we will be no better off then than we were before.

Mr. AIKEN. I think that is true with respect to any amendment.

Mr. BUSHFIELD. Mr. President, in order to save the time of the Senator from Florida may I ask the Senator from Vermont to yield in his own time, so I may ask a question of the Senator from Kentucky? I do not wish to trespass

upon the time of the Senator from Florida, and I suggest that means in order to avoid taking any of his time.

Mr. AIKEN. Mr. President, if I still have time left, I will yield to the Senator from South Dakota.

Mr. BUSHFIELD. I wish to ask a question of the Senator from Kentucky, if I may.

The PRESIDING OFFICER. The Chair will state that the Senator from Vermont has yielded the floor. The Senator from Florida now has the floor.

Mr. PEPPER. The Chair advises me that I have the floor. Therefore, the interruption will be in my time. I understand I have time on the joint resolution and on the amendment.

Mr. WHERRY. Mr. President, it is my understanding that the Senator has 20 minutes on the bill, 20 minutes on the so-called Thomas amendment, and now that the Senator from Kentucky [Mr. BARKLEY] has offered a substitute amendment, the Senator will have 20 minutes time on that substitute; therefore the Senator will have 1 hour of time. Any Senator who has spoken on the joint resolution and on an amendment has, as I understand, 20 more minutes of time.

Mr. PEPPER. Mr. President, I will consume only a part of that time. I do not wish to deprive any Senator of the privilege of asking a pertinent question, but I should like to be permitted to make the remarks I wish to make. However, I yield to the Senator from South Dakota [Mr. BUSHFIELD].

Mr. BUSHFIELD. I thank the Senator from Florida. May I ask the Senator from Kentucky a question concerning a sentence in his proposed substitute amendment, as follows:

Do not allow for a reasonable margin of profit to the processing industry as a group on each such species.

This is the concluding sentence in the proposed substitute. All meat processors, so far as I know, handle all classes of livestock. That is, one slaughterer does not simply handle cattle, another one hogs, and another one sheep. Practically all of them handle all three species of livestock. Does the Senator's provision mean that the OPA then is simply to fix prices on each individual species, or to take the whole together?

Mr. BARKLEY. On each individual species. That is, OPA will fix a price on sheep and lambs that will have no relationship to the price they fix on beef or hogs. In other words, each of these species, under this language, would be entitled to a reasonable profit regardless of what happened to the other species. OPA will fix the maximum on each species separately, and not mix them all together, and have an over-all price for the meats they produce in these various categories.

Mr. BUSHFIELD. I thank the Senator.

Mr. FULBRIGHT. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. I wanted to ask the Senator from Kentucky if evidence was not presented to the committee that there are a number of smaller packers who do not slaughter all the various

species, and that one of the reasons why they were squeezed out was because they handled but one species.

I also wish to ask the Senator from Kentucky respecting the plans which were announced by the OPA concerning reconversion prices. Is it not true that OPA has already announced a policy which is very similar to the Senator's amendment; that is in the calculation of prices for articles which have been out of production during the war the producers can add to the former prices any increase in cost of materials and in labor in order to maintain a reasonable profit?

Mr. BARKLEY. Yes; but they are permitted to take into consideration any increase in the cost of materials and in the cost of labor necessary to produce the things which they were producing at the time they were forced out of production by reason of the war.

Mr. FULBRIGHT. My point is that the Senator's amendment is consistent with that program.

Mr. BARKLEY. Yes; I think, undoubtedly, it is consistent with that program.

The PRESIDENT pro tempore. The time of the Senator from Florida is running.

Mr. PEPPER. Mr. President, I am sure every Senator finds himself very much embarrassed whenever he feels it necessary, in line with his own judgment and sentiments, to oppose anything offered by the able senior Senator from Oklahoma [Mr. THOMAS]. I know with what sincerity and earnestness he is proposing his amendment, and therefore with the greatest diffidence find myself not in accord with it.

The amendment, as its language discloses, provides that on and after the date of its enactment, should it be adopted—

It shall be unlawful to establish or maintain against any processor a maximum price for any major product (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) resulting from the processing of any agricultural commodity, or maximum prices for the products of any species of livestock (such as cattle, hogs, or sheep) (the products of each species of livestock to be taken as a group in establishing or maintaining such maximum prices) which does or do not equal all costs and expenses (including all overhead, administrative, and selling expenses allowed as expense deductions in computing Federal income and excess profits tax liability) incurred in the acquisition of the commodity or species of livestock and in the production and distribution of such product or products plus a reasonable profit thereon, not less than the profit earned thereon by such processor during a representative base period.

Mr. President, I wish to make a few observations as to the legal effect of the proposed amendment. In the first place, it seems to me that the necessary construction of the language "any processor" is an individualistic reference. That does not mean processors generally. It means any individual processor; and that means that any individual processor in the Nation would have the right to resort to the emergency court of appeals and insist that he must be dealt

with individually under the protection of this amendment, so that his individual costs must be determined. That means costs of acquisition, distribution, and overhead. Then, upon his individual costs, however efficient or inefficient he may be, he shall be guaranteed the margin of profit provided in the amendment.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MURDOCK. With such a plain provision written into the law, I wonder why the Senator takes the position that the processor would have to go into court.

Mr. PEPPER. The able Senator is quite correct. Of course, he would not have to resort to the courts to establish an obvious requirement of the law against the OPA.

The effect of the amendment, if I correctly understand it, is to vary the existing rule, which is designed to give a fair margin of profit to an industry or class of people, and to individualize the protection provided in the amendment.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUCAS. As I read the amendment, it would be unlawful for the OPA to deal with an individual until it could definitely ascertain what the over-all picture was with respect to costs; and until that were done the individual processor would be a free-lance at liberty to do whatever he might wish to do.

Mr. PEPPER. The Senator is exactly correct; with all the attendant difficulty which comes from ascertaining the costs of any individual processor.

The amendment goes further. It not only provides that each individual processor shall be guaranteed a profit upon his individual costs; but he is guaranteed a profit upon each species of the enumerated commodities which he processes. That is, he is guaranteed a profit upon the cost of processing lamb, pork, or beef, for example; or, if he has categories of some other commodity, he is guaranteed a profit upon his categories of some other commodities. He is guaranteed a profit upon his individual cost respecting each species of a category of commodities. That is the second provision of the amendment.

The third is that it varies the rule which has heretofore been applied, which I call the parity principle or parity rule. As I understand the price-control law, in its inception we could have put into the picture what might be called the cost-plus principle, which we repudiated with respect to contracts, or we could have put into the picture as a criterion the parity principle. While costs enter into it, essentially the parity principle has been the guiding star of the Price Administration thus far in the control of prices.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HICKENLOOPER. With respect to the difficulty of classification of individual plants, I should like to call attention to the fact that OPA is doing that very thing now with individual plants and individual lines in individual plants.

I have before me the list of a sock manufacturer in Chicago, who has 104 lines of socks. The OPA has fixed a price on each of the 104 lines; and it is doing so with respect to his competitors individually. Also, Mr. Bowles has repeatedly said that in the postwar conversion period the OPA expects to fix reconversion prices on all articles of each manufacturer who wishes to reconvert, and not as a class. So, as I understand, the OPA itself is proposing to do the very thing which the opponents of the Thomas amendment are complaining about.

Mr. PEPPER. On the contrary, let me say to the able Senator from Iowa that I was advised by the Office of Price Administration today that 28 out of 31 companies with reconversion products were unable to provide cost-and-profit figures by individual products when the OPA auditors called at their offices to obtain such figures. That information was given to me today by the OPA. That was in respect to manufacturers.

I am also told that of 250 companies checked, 233 were unable to provide cost-and-profit figures for individual products.

Forty-eight brick manufacturers were unable to provide cost-and-profit figures for individual products, out of 48 brick companies inquired of. That is 100 percent. Those figures were given me today by the Office of Price Administration.

Mr. HICKENLOOPER. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. HICKENLOOPER. That is the very point I am making. OPA is now undertaking to go into every individual factory, classify its products, and fix the price on each individual product. The OPA objects to the Thomas amendment for that very reason, but the OPA is now doing that very thing, and that is its proposal for reconversion.

Mr. PEPPER. I must disagree with the able Senator's assertion. The inquiry to which I referred was made in connection with the fact that the OPA had been urged to fix individual prices for reconversion, and it was making inquiry to see if it could fix such prices. It is finding that it is not possible to do so. I assume the argument of the able Senator from Iowa would require just that.

Another thing about this amendment is that it would absolutely prohibit any ceiling prices on the commodities affected, because each ceiling price would depend not upon the principle, but upon the individual costs of an individual processor. Who could ever tell what they might be? If a processor had one cost today, he might have another cost tomorrow or next month. So the public would have absolutely no protection if such a law were literally enforced by the Office of Price Administration. The public could never be acquainted with what the ceiling price was.

For whom is this amendment intended? Whom would it benefit? Would it benefit the producers or growers? No. It is for the benefit of processors. This is not an amendment to help producers or consumers, but the middlemen. That is its effect, whatever

may be the intention and design of the able sponsors of the amendment. It seems to me, therefore, that the conclusion is that it would not help the producer. It would add to the cost of living to the consumers, and would benefit only the middlemen, who, in our normal economy, have been the most fortunate in all the chain from production to consumer.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHERRY. In view of that statement, does the Senator feel that he could support an amendment which would extend the benefits to the producer, if such an amendment could be drafted?

Mr. PEPPER. That is a perfectly fair inquiry. I shall have to say "no" to my able friend from Nebraska, for the essential reason upon which I oppose this and all other amendments, that inevitably it would add to the cost of living and contribute toward inflation. Even for the benefit of the producers, I do not wish to do such a thing by legislation.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. PEPPER. I am glad to yield.

Mr. WHERRY. If we could show, as I think we can, that if the producers were afforded relief we could increase our production to the maximum, would not that tend to decrease the cost of living rather than increase it?

Mr. PEPPER. It would in a normal economy, Mr. President; but in our domestic economy, 46 percent of all that we are producing goes for war. Therefore the 46 percent of production which goes for war competes in the market with the other 54 percent, which is available for civilian consumption; so we have not a normal equilibrium in our economy.

Mr. WHERRY. Mr. President, will the Senator yield for one further question?

Mr. PEPPER. I yield.

Mr. WHERRY. I agree with the Senator's statement; but it has been my position, and I believe the position of most of us who come from the Corn Belt, that if we could get more cattle and hogs into the feed lots we could obtain increased production. I agree with the distinguished Senator that we need greater production than we have ever had before. Any incentive which we can obtain for the cattle feeders and for the hog raisers will help us increase our maximum production. I think it is conceded by everyone who has studied the situation that we need such increased production. If we can get it, would not it help solve the problem of the increased cost to the consumers?

Mr. PEPPER. Mr. President, I will say to the Senator that of course the higher the price or the compensation to the producer, the larger the return to him. But there are two ways by which we may help the producer. One is to increase the price. The other is to give him a subsidy.

Today I was talking on the telephone to Mr. W. H. Davis, the Director of Economic Stabilization. He reminded me of the 10-point subsidy on meat which is being put into effect and an additional 3-point subsidy which is to be put into

effect. He said that those subsidies will very materially assist the producers of meat.

Mr. WHERRY. Mr. President, will the Senator yield to me to permit me to make one more point?

Mr. PEPPER. I yield.

Mr. WHERRY. If the Senator will analyze that directive, I think he will find that the only incentive which is being given as a subsidy to the cattle feeder, which is equivalent of 50 cents a hundredweight, amounts to only \$6 on a 1,200 pound steer. All the subsidies which are being paid under the last directive which has been issued amount to \$51.60, and of it only \$6 goes to the cattle feeder. The balance goes to the processor or to those behind the processor.

My point is that although I have always opposed subsidies, yet if that is the way the administration desires to proceed, I think the subsidy should be made sufficient to attract to the feed lots the cattle we so badly need.

Mr. PEPPER. Mr. President, I will say to the Senator that I have never opposed subsidies to producers, when it can be shown that they are necessary in order to give the producers a fair return. I have never opposed giving a fair return or a fair profit. But if it is a question whether we are going to impose the burden of the whole economic system on the backs of consumers or whether we are going to provide for the payment of a subsidy, I prefer to have a subsidy paid, rather than to increase the cost of living.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Florida yield to the Senator from Illinois?

Mr. PEPPER. I yield.

Mr. LUCAS. I should like to point out at this time that the subsidy came from the War Food Administration. The OPA has not a single thing to do with subsidies. It had to wait for Judge Vinson or Judge Jones to say whether the cattle feeder was entitled to another 50 cents per hundredweight. Constantly the OPA is being blamed on the floor of the Senate and in the press for a number of things for which it is not responsible. The OPA was not responsible for issuing the original permits to slaughterers throughout the country. That was done by the War Food Administration.

The PRESIDING OFFICER. The Chair announces that the time of the Senator from Florida on the amendment has expired.

Mr. PEPPER. Does the Chair mean that my time on the substitute has expired? The substitute is the pending matter.

The PRESIDING OFFICER. The Senator is correct.

Mr. PEPPER. I will take my time, next, on the amendment.

The PRESIDING OFFICER. The Senator can take his time on the joint resolution.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. It was my understanding that the pending question is the substitute for the Thomas amendment to the joint resolution. If that be true, I thought a Senator would be allowed 20 minutes on each pending amendment or pending question. So I would be entitled to take the time the able senior Senator from Kentucky [Mr. BARKLEY] took. I understood that he took 20 minutes on the Thomas amendment and then 20 minutes on the substitute.

The PRESIDING OFFICER. It is the understanding of the present occupant of the Chair that the Senator from Florida is entitled to 20 minutes on the pending amendment and 20 minutes on the joint resolution. When the Senator from Kentucky spoke, the pending question was the amendment offered by the Senator from Oklahoma to the joint resolution.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. THOMAS of Oklahoma. Let me say that the Senator from Kentucky spoke on three propositions: First, the Thomas amendment; second, his substitute for the Thomas amendment; and third, the joint resolution.

Will the Chair clarify the situation?

The PRESIDING OFFICER. The present occupant of the chair is informed that the Senator from Kentucky spoke on the amendment offered by the Senator from Oklahoma, and then offered his substitute during the course of his speech, and then spoke on the joint resolution.

Mr. BARKLEY. Mr. President, if the Chair will permit me to make a statement, I wish to say that I spoke first on the amendment offered by the Senator from Oklahoma. I spoke on it for 20 minutes. The Chair then announced that my time had expired. I then spoke on the joint resolution. When my time on the joint resolution had expired, I offered my substitute, which had not theretofore been pending; and I was permitted to speak on it.

The PRESIDING OFFICER. The Senator has stated the substance of the Chair's statement. The Chair will insist on the statement he made.

The time of the Senator from Florida on the amendment has expired. What does the Senator wish to do now?

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. I understood the Senator from Kentucky to announce that he spoke 20 minutes on the Thomas amendment, then 20 minutes on the joint resolution, then offered the Barkley substitute, and spoke on it. Obviously, that means that he spoke on three different subjects.

The PRESIDING OFFICER. Under the rule, a Senator is entitled to speak on the pending amendment. The pending amendment now is the amendment offered by the Senator from Kentucky [Mr. BARKLEY] as a substitute for the Thomas amendment. The Senator from Kentucky first spoke on the amendment offered by the Senator from Oklahoma, which then was pending. When he fin-

ished that, he spoke for 20 minutes on the joint resolution, which he had a right to do. When he concluded that, he offered his substitute, and he spoke on it.

The pending amendment is the substitute offered by the Senator from Kentucky. The time of the Senator from Florida has expired on the substitute. There is now no pending amendment by the Senator from Oklahoma.

Mr. PEPPER. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. Is the present occupant of the chair aware of the fact that when the Senator from Florida rose to speak and when he was asked to yield by other Senators, to clarify the question as to what time the Senator from Florida had, the Senator from Nebraska [Mr. WHERRY] asked the question whether there were not three propositions pending, namely, the joint resolution, the Thomas amendment, and the substitute amendment, and whether the Senator from Florida could speak for 20 minutes on each, and the then occupant of the chair ruled that he could. Subsequently, basing his action upon that ruling, or at least, the understanding which he had of the ruling, the Senator from Florida yielded from time to time to other Senators.

The PRESIDING OFFICER. The present occupant of the chair knows nothing about that.

What does the Senator from Florida wish to do now? His time on the amendment has expired.

Mr. LUCAS. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. LUCAS. I ask unanimous consent that the Senator from Florida be permitted to take 20 minutes on the Barkley substitute. That will be in conformity with what has already been done by the senior Senator from Kentucky [Mr. BARKLEY].

Mr. TAFT. Mr. President, does the Senator refer to the Senator from Florida only?

Mr. LUCAS. No; I refer to all Senators.

Mr. TAFT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. The point of order is that the limitation on debate permits any Senator to speak for 20 minutes only on the joint resolution or on any amendment or motion thereto, but a substitute for an amendment or an amendment to an amendment is not an amendment to the joint resolution. Therefore, the Chair was in error in permitting the Senator from Kentucky to proceed for the length of time he did, because if that is to be the ruling, all limitation of debate is off, and any Senator can offer an amendment to an amendment and can speak on it for 20 minutes, then can withdraw his amendment to the amendment, and can thus proceed indefinitely. There will be no limitation if the ruling of the former occupant of the chair is to stand. I make the point of order that

only 20 minutes should be allowed to each Senator on the joint resolution and 20 minutes on the Thomas amendment and all amendments thereto, and then 20 minutes on any other amendment which may be offered to the joint resolution.

After that point is settled, I shall be glad to agree to the unanimous-consent request, so far as the Senator from Florida is concerned.

The PRESIDING OFFICER. The objection made by the Senator from Ohio is not timely; it is made too late. It would have been good if made while the previous occupant of the chair was presiding; if it had been made then, it could have been passed on. However, the time to have objected was then; but now it is too late. The Chair overrules the Senator's point of order.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUCAS. I ask unanimous consent that all Senators be permitted to have, in addition to 20 minutes on the joint resolution and the amendment offered by the Senator from Oklahoma, 20 minutes upon the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

Mr. BANKHEAD. I object to any extension of time.

The PRESIDING OFFICER. Objection is heard.

The time of the Senator from Florida has expired on the amendment.

Mr. PEPPER. I shall address myself to the joint resolution.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHERRY. In view of the statement made by the prior occupant of the chair in response to the question I asked, that the Senator from Florida had 20 minutes on the joint resolution, and 20 minutes on the Thomas amendment, as well as on the so-called Barkley amendment, I ask unanimous consent that the distinguished Senator from Florida be permitted to speak on all three, as the distinguished Senator from Kentucky has already done.

The PRESIDING OFFICER. Does the Senator from Florida yield for that purpose?

Mr. PEPPER. Mr. President, I do not wish to trespass upon the kindness of Senators.

Mr. WHITE. Mr. President, is the unanimous-consent request which has just been made applicable only to the Senator from Florida, or is it to have application to the joint consent arrangement generally? If it applies so as to give 20 minutes additional time to the Senator from Florida, and to no one else, I shall not object. Having entered into a unanimous-consent agreement with respect to a limitation upon debate, I do not believe that during the course of debate we should remake the rules under which we are proceeding. In the circumstances, I do not object to the unanimous-consent request.

Mr. PEPPER. Mr. President, I assure the Senator that I shall not consume all of my allotted time.

The **PRESIDING OFFICER**. The present occupant of the chair is informed that the previous occupant of the chair made no such ruling as has been suggested by the Senator from Nebraska [Mr. WHERRY], and that the **RECORD** will show that no such ruling was made.

The Senator from Florida is recognized on the joint resolution.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. LUCAS. I was interested in knowing how the senior Senator from Kentucky [Mr. BARKLEY] could have spoken for 20 minutes on the—

The **PRESIDING OFFICER**. The Chair has already explained the situation. Without objection, the Senator was permitted to speak. The Senator from Florida [Mr. PEPPER] has the floor.

Mr. WHITE. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. WHITE. If the Chair will permit me, I wish to say a very brief word with regard to the parliamentary situation.

The Senator's request was for 20 minutes on the joint resolution and 20 minutes on the amendment. My understanding is that the reference was to amendments which are now pending before the Senate. The arrangement does not mean that a Member of the Senate may speak for 20 minutes on the joint resolution, 20 minutes on the pending amendment, and then 20 minutes on each and every amendment which may be lying on the desk, which may or may not heretofore have been called to the attention of the Senate. I do not know whether I am correct in my understanding, but we are likely to find ourselves, if we keep on talking about this matter, in such a situation that there will be no limitation on the discussion of amendment in the nature of a substitute, and any Member who obtains the floor may find himself in position to talk indefinitely. In other words, if we are going to talk about amendments which are not actually pending, I do not know where the discussion will end.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. PEPPER. How much time does the Senator from Florida have remaining?

The **PRESIDING OFFICER**. Twenty minutes on the joint resolution.

Mr. PEPPER. Very well.

Mr. President, I have spoken of what I thought would be the effect of the Thomas amendment if it should be adopted.

As to the Barkley amendment, I have no objection to it. I do not think it does anything but what has already been done by the OPA, but if the Senator thinks that it clarifies the situation without making it mandatory to increase substantially the cost of living, I have no objection to it. However, I should prefer to see no amendment whatever to the joint resolution.

Why do I say that, Mr. President? Senators have on their desks copies of

various amendments. Here is one Taft amendment:

No maximum rent shall be fixed on any housing accommodation the construction of which is begun after July 1, 1945; and no maximum rent shall be fixed on any housing accommodations which does not return to the owner thereof his costs of operation, if any, plus a reasonable return on the value of his property on January 1, 1941, or January 1, 1946, whichever is lower.

That amendment applies to the control of rents.

I now read the Taft amendment which proposes to increase substantially by approximately 10 percent manufacturers' profits. It means, Mr. President, that more than \$9,000,000,000 annually—my figures have been obtained from the OPA—would be added to the present living costs of the consumers of this country. It would mean that \$7,300,000,000 annually would be added to the cost of the war after all contemplated cut-backs had taken place. However, that would be only the first round in the spiral of inflation. Wages would be increased. The cost of the Japanese war to this country would be easily increased by \$50,000,000,000.

Mr. President, I also have before me a copy of the amendment proposed by the able Senator from Oklahoma [Mr. MOORE], which reads, as follows:

No maximum price established under the Emergency Price Control Act of 1942, as amended, or under the Stabilization Act of 1942, as amended, and no program of rationing or allocation with respect to distribution to civilians, shall be effective with respect to cattle, calves, eggs, and poultry, or any product or commodity derived or processed in whole or major part from cattle, calves, eggs, or poultry during the period from July 1, 1945, to September 30, 1945, both dates inclusive.

There may be other amendments which will be or have been proposed.

Mr. President, with whom are we dealing when we talk about increasing the cost of living in the United States? I have figures which demonstrate that, according to the Bureau of Agricultural Economics, the cost of living in May 1945, as compared with the base period 1935 to 1939, had increased approximately 50 percent. The Bureau of Labor Statistics has stated that the increase was about 27 percent. The cost of food and clothing, according to the Bureau of Labor Statistics, had increased in April 1945, as compared with the base period of 1935-39, 36 percent. According to the A. F. of L. and the CIO studies, the increase in food prices was approximately 62 percent; and as to food not processed or examined by the BLS, 96 percent; clothing, 62 percent; house furnishings, 52 percent; and rents, 15 percent.

Mr. President, I wish to speak about two or three classes of people whom we are often inclined to overlook when we are thinking about the so-called hard-pressed processors. First, I wish to refer to the old-age and survivors' insurance group in the United States. There are 1,700,000 families in that group. Each family was receiving \$21.97 a month in January 1940, and has received only a 7-percent increase since. It now receives \$23.40 a month.

I speak of another group which is receiving public assistance. There are 2,800,000 families composing that group. In January 1940 they were receiving \$19.87 a month each. Now in June 1945, they are receiving \$27.55 a month each.

Mr. President, I wish to tell the Senate about another group consisting of 3,500,000 dependent families. They are families who are dependent on men in the armed forces of this country who are fighting this war. What do they receive? A wife receives \$50 a month. The first child receives \$30 a month. Each additional child receives \$20 a month. A wife with two children whose husband is on Okinawa, or at some other battle front, in the air or in a submarine, receives only \$100 for herself and two children. What about her dependent benefits being increased, Mr. President? Has anyone said anything at all about her? No one has done so. Yet it has been contended that such companies as Swift, Cudahy, Wilson, and others should receive greater profit; but no suggestion has been made that a soldier's children should receive more food.

Mr. President, if we are to increase the profits of the processors of this country, someone has to pay for it. The producer would not pay it, therefore the consumer would have to pay it, and I am speaking for a group which involves millions of American families who are living at the very bottom of the ladder. They are eating and drinking the dregs of the economy, because they have not the money with which to pay a higher price. Yet the Senators want to help the processors.

Mr. President, I am speaking not only about the millions who are receiving old-age assistance, or survivors' benefits, or veterans' dependency allotments. Let me tell the Senate who are the American people.

I have here the statistics of family income, from the OPA study. This shows that there are three and a half million family units making less than \$500 a year. It shows that there are six and a half million family units making from \$500 to \$1,000 a year; six and a half million consumer units making from \$1,000 to \$1,500 a year; 6,000,000 consumer units making from \$1,500 to \$2,000 a year; four and a half million making from \$2,000 to \$2,500; three and a quarter million making from \$2,500 to \$3,000, four and a half million making from \$3,000 to \$4,000; two and a half million making from \$4,000 to \$5,000; 1,900,000 making from \$5,000 to \$7,500; 628,000 making from \$7,500 to \$10,000; 789,000 consumer units, out of a population of 137,000,000, making more than \$10,000.

So, Mr. President, America, with all her riches, is still a poor country. More than half the consuming units in the United States have to live upon an average income of less than \$2,000 a year, and that includes those whose sources of support are fighting for democracy in the United States and in the world.

It seems to me, therefore, Mr. President, that to add to the cost of living, as will have to be done, is an injustice to these people whose wages cannot be raised because of the Little Steel formula,

and whose salaries cannot be raised because of the Stabilization Act. It is wrong to say that we are going to add to the profits of the processor—because I cannot help feeling that they are going to get along at least as well as the masses of the American people who are having a tough time to make ends meet in the inflation which has already occurred since the war has been in progress.

A word in conclusion, Mr. President. I wish to join in what was said by the able Senator from Illinois [Mr. LUCAS] in commendation of what has been achieved by the Office of Price Administration. They have been criticized throughout the length and breadth of this land. They have been defamed, and blamed, and vilified, and accused in every possible way, yet the over-all job they have done will stand out as one of the great accomplishments of this Administration and this Government in the course of the war. As the able Senator from Illinois pointed out, although the currency in circulation has increased from three to four times what it was when the war started, although bank deposits, which are spendable money, have increased more than three times, although the national debt has increased from \$28,000,000,000 to \$271,000,000,000, OPA has kept the cost of living down to about a 50-percent increase.

Mr. President, we cut the benefits of the dependent wife and children by half when we increase the cost of living by half because they live on consumers' goods. With only \$100 a month, they do not save up money to invest in stocks and bonds. Add to the spiral of inflation, and it simply means, in substance, that we are reaching down into the pocket of the little boy, who is looking at an absent father's photograph on the wall, and taking food out of his mouth, in order to put profits into the pockets of the processor.

Mr. President, the soldiers, sailors, and airmen—the men who are fighting this war—are entitled to have greater protection from the Congress which drafted them and sent them into the vortex of death and into the depths of the sea than would be afforded if we take from those who are left behind what they should have.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. BUSHFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield for that purpose?

Mr. THOMAS of Oklahoma. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Butler	Guffey
Austin	Capper	Hart
Ball	Chandler	Hayden
Bankhead	Chavez	Hickenlooper
Barkley	Donnell	Hill
Bilbo	Downey	Johnson, Calif.
Brewster	Ellender	Johnson, Colo.
Bridges	Ferguson	Johnston, S. C.
Briggs	Fulbright	La Follette
Brooks	George	Langer
Burton	Gerry	Lucas
Bushfield	Green	McCarran

McKellar	O'Mahoney	Thomas, Okla.
McMahon	Overton	Tobey
Magnuson	Pepper	Tunnell
Mead	Reed	Wagner
Mitchell	Robertson	Walsh
Moore	Saltonstall	Wherry
Morse	Shipstead	White
Myers	Smith	Wiley
O'Daniel	Taft	Wilson

The PRESIDING OFFICER. Sixty-three Senators having answered to their names, a quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, with the hope of securing a vote at the earliest possible moment, I shall not take any more time than necessary to clarify the issue.

First, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Is it not a fact that before we vote on the amendment offered by the Senator from Kentucky as a substitute, we have a right to perfect the original proposals, which is my amendment?

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky, as the present occupant of the chair understands, is an amendment to the amendment. It will have to be disposed of as such before the Senator from Oklahoma can perfect his amendment.

Mr. BARKLEY. The amendment which I offered is a substitute for the Thomas amendment. It is not an amendment to it.

Mr. THOMAS of Oklahoma. Mr. President, that was my understanding, and therefore it is my understanding that we have a right to perfect our amendment before the substitute is in order to be voted upon. Is not that correct?

The PRESIDING OFFICER. Will the Senator again state his question?

Mr. THOMAS of Oklahoma. It is my understanding that the author of an amendment has the right to perfect that amendment before a vote can come on any substitute amendment. A substitute amendment may be offered, but before the vote comes on the substitute the proponent of the original amendment has the right to perfect his amendment. Am I correct?

The PRESIDING OFFICER. The present occupant of the chair thinks that the amendment, whether it was intended to be an amendment to the amendment or not, actually is an amendment to the amendment, and would have to be disposed of; otherwise we would have an amendment in the third degree. After the amendment has been disposed of, then the amendment before the Senate can be perfected or changed as the Senate wishes.

Mr. BARKLEY. The language which I offered does not seek to add anything to the language of the amendment of the Senator from Oklahoma. It is a substitute for it, and states that it is offered as a substitute for his amendment. It provides additional language to the existing law, but it provides no additional language to the amendment of the Senator from Oklahoma. It is offered in lieu of his amendment.

The PRESIDING OFFICER. The Chair will read into the RECORD a statement with regard to the point of order raised during the colloquy between the

Chair and the Senator from Oklahoma [Mr. THOMAS]:

On April 20, 1933, the Senate had under consideration the bill (H. R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power.

The Committee on Agriculture and Forestry had inserted as an amendment a new title (title II) dealing with agricultural credits.

Mr. WAGNER offered an amendment to the committee amendment to insert in lieu of the language contained therein certain words as a substitute.

Mr. ROBINSON of Arkansas desired to offer what he termed "perfecting amendments" to Mr. WAGNER's substitute amendment.

The PRESIDING OFFICER said: "Let the Chair make this suggestion: Title II of the pending bill is an amendment reported by the Committee on Agriculture and Forestry, and, being inserted matter, it must become an amendment in the first degree."

Mr. ROBINSON of Arkansas stated that the amendment proposed by Mr. WAGNER was considered by the Committee on Banking and Currency and those in charge of the bill desired to perfect the amendment; and

The PRESIDING OFFICER stated: The Senator from Arkansas asks unanimous consent that title II of the bill be regarded as original text so far as amendments are concerned, so that the substitute offered thereto and title II will be subject to amendment.

Mr. ROBINSON'S request was then agreed to.

I think this ruling is on all fours with the ruling of the Chair in connection with the matter just disposed of by the Senate.

Mr. THOMAS of Oklahoma. Mr. President, in order to clarify the parliamentary situation I ask unanimous consent that I may perfect my amendment in the form of a new section to be known as section 3 before I proceed with my remarks.

The PRESIDING OFFICER. Is there objection? None is heard, and it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, I now yield to the Senator from Alabama to suggest amendments which I will accept.

Mr. BANKHEAD. Mr. President, I submit two perfecting amendments. The effect of them is to take cotton out of the Thomas amendment, so that neither cotton nor cotton textiles will be further involved in the joint resolution.

The PRESIDING OFFICER. The Senator from Oklahoma modifies his amendment by unanimous consent accordingly. The clerk will state the perfecting amendment.

Mr. BANKHEAD. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BANKHEAD. The author of the amendment accepts my amendment. It is my understanding that he has the right to do so.

The PRESIDING OFFICER. The Chair so understands. It is a modification of the amendment. The clerk will read the modification.

The LEGISLATIVE CLERK. On page 2, lines 1 to 3, it is proposed to strike out the words "applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn."

Mr. THOMAS of Oklahoma. Mr. President, that is the first amendment submitted by the Senator from Alabama, and it proposes to take from the amendment as it is now written all that portion which relates to cotton or cotton yarn. I am glad to accept the amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma is perfected to that extent.

The clerk will read the second amendment offered by the Senator from Alabama [Mr. BANKHEAD].

The LEGISLATIVE CLERK. Before the period at the end of the amendment it is proposed to insert a colon and the following: "Provided, That nothing in this section shall be construed to affect, modify, or limit in any manner those provisions—the last three paragraphs—of section 3 of the Stabilization Act of 1942, as amended, which were added by subsection (b) of section 201 of the Stabilization Extension Act of 1944."

Mr. THOMAS of Oklahoma. Mr. President, I likewise accept that amendment.

The PRESIDING OFFICER. The amendment of the Senator from Oklahoma is perfected accordingly.

Mr. THOMAS of Oklahoma. Mr. President, on page 1, line 1 of my amendment we find the words "restating and." It was my intent in the use of those words in the original text to restate the amendments which are now on the statute books; but since we have accepted two amendments with respect to cotton, I further modify my amendments by striking out, on page 1, line 1, the words "restating and", so that the first line will read:

That for the purpose of clarifying the policy of Congress—

And so forth.

The PRESIDING OFFICER. The modification will be made.

Mr. THOMAS of Oklahoma. Mr. President, in the original act creating the OPA we passed legislation intended to protect agricultural prices. They were not given much consideration by the OPA. So the last Congress passed what is known as the Bankhead-Brown amendment, to make clear and definite the law with respect to cotton and cotton products. The Bankhead-Brown amendment is now in the law.

It now appears—and I am sure this statement is correct—that the cotton situation is being handled so satisfactorily under this definite law that those engaged in cotton production do not wish to take a chance by modifying existing law. That is the reason why I have accepted the amendments suggested by the Senator from Alabama, so as to take no chance of interfering with existing law with respect to cotton.

What has been done for cotton I now wish to do for other agricultural products, and for that reason I am urging the adoption of this amendment.

Mr. PEPPER. Mr. President, will the Senator yield for a question? I do not wish to trespass on his time.

Mr. THOMAS of Oklahoma. I yield.

Mr. PEPPER. Is it not true that the effect of the Senator's amendment is to

do away with the parity principle and substitute the cost of production?

Mr. THOMAS of Oklahoma. No; not at all, Mr. President. The parity principle now stands in the law. We do not seek to amend the parity principle. It is in the law no less than three times; first, in the original creating the OPA; second, in the law amending the Stabilization Act, and, third, in the law extending the OPA in 1944. I do not desire to modify, amend, or change in any way the present parity principle. I want that understood. But let me say to the Senator from Florida that even yet, with the greatest war of all time, with twenty-seven billions of money in circulation, and \$145,000,000,000 of credit in existence, some farm prices have not reached parity.

Some may question that statement. I have the data here which I think should be conclusive. I exhibit to the Senate a sheet issued by the National Fertilizer Association. It is dated June 5. I believe it is correct. Here are the figures: On that date wheat stood at only 97 percent of parity, corn stood at 97 percent of parity, hay at 80 percent of parity, and cotton at only 96 percent of parity. Despite the fact that we have an enormous amount of money in circulation, and a gigantic sum of credit or deposit money, totaling over \$170,000,000,000, the OPA has not permitted those prices to rise to parity. That is what I complain about.

Let me say very sincerely that I am opposed to the substitute amendment. The substitute amendment is not nearly as good as existing law. It says nothing definitely. I would much rather take existing law than the substitute amendment, for this reason: The substitute amendment would modify existing law. Existing law sought to express the policy of Congress that each commodity should be considered separately, and a fair and just price placed upon each commodity. The substitute amendment, for example, proposes to group all hogs together, to group all cattle together, and to group all sheep together, and then group all industries processing cattle, and make those industries prosperous. It proposes to take all industries processing sheep, put them in a group, and see to it that the processors of the sheep industry are prosperous; and to give the same treatment with respect to hogs.

Mr. President, for the small slaughterer here is the joker: The evidence shows that 70 percent of the meat processed in America is processed by about four or five of the larger concerns. We have no complaint about that.

Mr. BARKLEY. Mr. President, will the Senator yield.

Mr. THOMAS of Oklahoma. I yield. Mr. BARKLEY. When the Administrator, Mr. Bowles, wrote the Senator from Oklahoma a letter after some discussion with him about what he proposed to do with regard to meats and livestock, the Senator from Oklahoma objected because he said that Mr. Bowles was proposing to go beyond what the law authorized him to do, and to that extent he had no power. What I am trying to do is to write into the law what Mr. Bowles said he was going to do.

Mr. THOMAS of Oklahoma. If Mr. Bowles was going to do it, he would have done it already. The House committee found that the OPA was not managing this matter properly. The Senate committee found that the OPA was not managing the meat industry properly; and since those two reports have been submitted the OPA has made three separate attempts to adjust this matter. It has adjusted it fairly satisfactorily to the big packers, but how about the little packers?

Let me call the attention of the Senate to a few clippings which I have on my desk. On Friday, June 8, the New York Herald Tribune published a news story, under the following headlines:

Two thousand shoppers stand 5 hours to buy meat. One thousand more turned away at Brooklyn market. Lines start at 3 o'clock in the morning.

Mr. President, visualize the situation over in the city of Brooklyn at a meat market. Two thousand people are assembled in front of the meat market. Another thousand were turned away. They began to assemble at the meat market at 3 o'clock in the morning. Does any Senator approve of a system that forces citizens to act thus, when the country has an abundant supply of cattle, and packing houses are scattered all over the country? At this moment the small packing houses have their quotas cut down to such an extent that they can slaughter only a small percent of their capacity of cattle, hogs, and sheep. They can get the animals, but they are not permitted to slaughter them. That is what I am complaining about. I ask the distinguished Senator from New York what remedy he proposes to take care of the situation in the great city of Brooklyn, in the great State of New York?

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. PEPPER. I was about to ask the able Senator if he does not think that the principal complaint, as he has indicated, arises from the inadequacy of quotas rather than from the deficiency of prices?

Mr. THOMAS of Oklahoma. Yes. But this applies only to the little fellow.

Mr. President, I have no commission to speak for the great State of Florida. The State of Florida is well represented in this body. However, I hold in my hand the front page of the Miami Daily News of June 8, 1945. This newspaper is published in the city of Miami, Fla. I should like to read one paragraph from the news story on the first page:

Farmers, poultry dealers, milk producers and distributors, leading businessmen, members of various branches of the Greater Miami Chamber of Commerce, hotel men, restaurateurs, and others were slated to deluge PEPPER with demands that he get behind the Thomas amendment.

That is not all, Mr. President. I have a letter from the other distinguished Senator from the great State of Florida, and I am going to do what he asked me to do. He sent me a telegram attached to the letter, and asked me to bring it to the attention of the Senate. Mr. Pres-

ident, I shall not read the letter. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON PUBLIC
BUILDINGS AND GROUNDS,
June 6, 1945.

Senator ELMER THOMAS,
Chairman, Committee on Agriculture
and Forestry, United States Senate,
Washington, D. C.

DEAR SENATOR THOMAS: Enclosed is a copy of a telegram which I have received from the City Council, city of Arcadia, Fla., and the Board of County Commissioners of DeSoto County, relative to the meat situation in Florida.

Although I have taken up the matter with officials of the Office of Price Administration, I thought the information contained in this telegram might be of interest to the members of your committee, and I shall appreciate it if you will bring it to their attention.

Sincerely yours,

CHARLES O. ANDREWS.

Mr. THOMAS of Oklahoma. Mr. President, I ask that the telegram be read at the desk in my time.

The PRESIDING OFFICER. Without objection, the telegram will be read.

The legislative clerk read as follows:

ARCADIA, FLA., June 5, 1945.

Hon. C. O. ANDREWS,
United States Senator,
Washington, D. C.:

Last night City Council of Arcadia, Fla., and today Board of County Commissioners of De Soto County, Fla., adopted resolutions demanding congressional investigation as to OPA and what they regard as foolish regulation of slaughtering of Florida grass-fed beef due to a manifest ignorance on the part of OPA with Florida conditions. Evidence can be furnished proving Florida ranges overstocked and that unless cattle can be marketed without hamstringing OPA restrictions, many will die on range this summer, fall, and winter that should be in the family pot. And also produce evidence that OPA's blindness has revived cattle stealing on a wholesale scale and that apparent gangsters are offering fantastic prices for dressed beef delivered to their trucks for black-market purposes at scheduled spots on the highways at night. Even Florida citizens are being deprived of necessary meat and sustenance in the midst of surplus and legitimate small slaughterers are being harassed, indicated, and enjoined by OPA. Florida citizens are demanding immediate action not next week but now. Your immediate attention to this problem will be appreciated as well as your advising what action taken.

CITY COUNCIL OF CITY OF ARCADIA,
FLA., BOARD OF COUNTY COMMISSIONERS DE SOTO COUNTY.

Mr. THOMAS of Oklahoma. Mr. President, it is not for me to make reply to that telegram. I place it in the RECORD at the instance of my colleague the senior Senator from Florida [Mr. ANDREWS].

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. PEPPER. The Senator has been very kind. I think there should be some reexamination of the quotas, and I have advocated the reexamination of the quotas in my State; but the very ones who complained of deficiency of quotas did not say one word to me about de-

ficient prices. They simply want the privilege of killing. They are not basing their complaint upon the inadequacy of prices, which is the only thing the pending amendment would affect.

Mr. THOMAS of Oklahoma. Mr. President, I now exhibit a picture to the Senate. The picture shows two or three meat cutters behind a meat block. On the block is half of the carcass of a horse, and in front of the block are numerous customers who are trying to get some of the meat. The heading is "Horse meat is their dish."

In smaller type are the words:

In the midst of a severe meat shortage, the United States horse-meat market is doing a thriving business, selling 40,000 pounds weekly, at 18 cents a pound. Customers are shown (above) buying various cuts of horse meat at a ——— market.

I shall not put the name of the town into the RECORD. If I mentioned the name of the town, no doubt, there would be a run on the town for meat, although it be that of the horse.

Mr. President, before my committee, in the hearing on the meat question, it was testified that during the first 3 months of this year 54,000 horses had been slaughtered for meat. That is 18,000 horses a month. Make the computation. The situation was not as acute then as it is now. No doubt but that more horses are being slaughtered now than then. But make the computation. Eighteen thousand a month, multiplied by 12, will show us that some 216,000 horses or more have been or will be slaughtered this year and served as meat for human consumption.

Then, Mr. President, I have another picture. It shows a stockyard in my State literally full of what appear to be white-faced cattle. They cannot be slaughtered. Someone may ask, "Why?" The answer is that in the town of Tulsa the meat packers have a quota, and now they have killed the number of animals they are permitted to kill, in accordance with the quota.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. THOMAS of Oklahoma. Then I will speak on the amendment.

So, Mr. President, the packing concern at Tulsa, Okla., must let its plant go idle the remainder of this month. The cattle are ready for slaughter, but the packers cannot slaughter them. Someone may ask, "Why?" Here is the reason. The OPA has made an order that the small slaughtering houses can slaughter only so many animals a month, and when they slaughter that number of animals, they must close for the remainder of the month. Why is that done? It is done to force the animals to the large slaughter houses. Someone may ask why the OPA wishes to have the animals go to the large slaughterhouses, which is the effect of the order. The reason is that in the small packing houses there is no Federal inspection of meat, and the Government cannot get any of the meat. The meat is not federally inspected, and for that reason it cannot be sent across State lines. Meat must be federally in-

spected before it may be sold to the Government and before it may be transported across State lines.

But let us consider the situation of a farmer who raises a few cattle or a few hogs or a few sheep. When he gets them ready for the market he takes them to his local slaughterhouse, where formerly he found a market. But today he cannot have the animals slaughtered at the local slaughterhouse any more. The small slaughterhouses have been closed; after they have used up their monthly quota, they are forced to close for the balance of the month. So the small local slaughterhouses have been destroyed. Now the farmer must ship his cattle by truck to Omaha or Topeka or Wichita, or to some other place remote from his locality. That is why the cattle are not going from the local communities to the slaughterhouses. The local slaughterhouses are not permitted to process them; hence the local market has been destroyed.

Mr. President, as I said on a former occasion, in my State we are in the midst of harvest time. We have one of the finest wheat crops in history. Harvesting wheat is hard work. The men start work early in the morning and work all during the day, until nighttime.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MORSE. With regard to the small producer and the selling of his cattle, does the Senator agree that one of the unfortunate results is that the commission man is, therefore, able to force the farmer to sell his beef or sheep or hogs to him at a price far below the ceiling price, because the small slaughterhouses cannot take the meat?

Mr. THOMAS of Oklahoma. That is correct. I thank the Senator.

First, Mr. President, I exhibit an editorial appearing in a newspaper published in my State. It states that one county of Oklahoma, Harper County, has 38,859 cattle, 1,158 hogs, and 1,493 sheep, as of the January 1 census. Harper County is one of the great wheat-growing counties in Oklahoma. Men must be imported there for labor in the harvest fields. But now there is no meat there; the slaughterhouses are closed.

I read one line of the editorial:

Anyone who knows anything about healthy harvest hands knows they can't live on lettuce sandwiches and chicken a la king.

Mr. President, they might live on chicken a la king if they got enough of it, but certainly they could not live on lettuce sandwiches.

That is the point, Mr. President. That is all we are trying to accomplish by the amendment. We are trying to do the same for livestock and the products of livestock that has been done for cotton. Last year, by means of the Bankhead-Brown amendment, we made the provision relative to cotton so clear and so certain that it could not be avoided. We must do the same thing now with respect to meat, or they will avoid it. They will pay no attention to the Barkley substitute, for it is virtually the present law. There is no use in voting for the Barkley

substitute, because it is virtually on the statute books now, and they pay no attention to it.

Mr. President, I hold in my hand a copy of Senate bill 380, the title of which is as follows:

To establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

The first few lines of the bill read as follows:

SEC. 2. The Congress hereby declares that—

(a) It is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce and in the development of the natural resources of the United States.

Mr. President, I am in favor of such a policy; but how can we have full employment when only a portion of the great meat industry is employed? Will someone answer that question, if he can?

Mr. President, the President of the United States is in favor of full employment. I hold in my hand a copy of a news item printed in a recent issue of a local newspaper. The item is headed:

Tells Business Truman Wants It To Prosper.

"Bob" Hannegan Outlines Administration Policy in Jefferson Day Speech.

I quote a short paragraph from Mr. Hannegan's speech. I do so in order to show that the President of the United States is in favor of full employment and wishes to have everyone at work.

Listen to what Mr. Hannegan said:

Second only to victory and lasting peace, the objective that is closest to the President's heart is to see American business, in cooperation with labor, agriculture and government, make good its endeavor to keep our people prosperous and employed.

How can the packing industry be prosperous if it operates only on part time? How can the packing industry be fully employed if, after it has killed a few animals each month, it must lay off its men for the balance of the time?

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. A few minutes ago by unanimous consent, apparently, it was conceded by everyone that, so far as cotton and cotton products are concerned, this same sort of amendment has worked 100 percent good for that industry. Why could not an amendment exactly like it also work in the same way for cattle and beef and sheep and hogs?

Mr. THOMAS of Oklahoma. If the same principle is adopted for the packing industry, it will be satisfactory. I thank the Senator.

Mr. President, at this point in the RECORD in connection with my remarks, I ask unanimous consent to have printed a statement which explains the situation relative to the federally inspected packing establishments.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A federally inspected packer is one who has complied with the meat-inspection law and can therefore ship his meat across State lines.

There are approximately 350 packing plants who have Federal inspection under the meat-inspection law. Since the war, the War Food Administration has inaugurated what is called Army inspection and there are about 100 plants who have Army inspection. These packers can sell meat to the armed forces and it can be sold to camps not across State lines. Prior to OPA there were approximately 1,650 commissioned slaughterers in addition to retail stores who were classed as nonfederally inspected packing plants. They still have local State and city inspections in many instances, but they cannot ship across State lines and the Army is not permitted to buy meat from them.

Since OPA, approximately 25,000 additional licenses have been granted to commission slaughterers, but they cannot ship their meat across State lines. As pointed out, in Mr. Bowles letter to Senator THOMAS and other Senators, OPA has recently canceled 11,000 of these licenses which Mr. Bowles said undoubtedly were on the black market.

Under the Meat Inspection Act, in order for a packer to be federally inspected, he must comply with certain sanitary regulations of the Bureau of Animal Industry.

Any packer, if his plant is sanitary, could get Federal inspection, although it is more expensive to operate a federally inspected plant than a nonfederally inspected plant, because it must be kept much cleaner.

A federally inspected plant has Federal inspectors in all departments who are both veterinarians and lay inspectors. The Government pays these men salaries—except overtime—so there is no expense in connection with the inspectors. The difference in the expense arises in the fact that the Department of Agriculture, which administers the law is very strict on cleanliness, light, and air. The plant must be kept clean and sterile, which requires a clean-up after each operation with live steam. Also, if any product is mishandled, such as dropped on the floor or not getting in the coolers, the Federal inspectors inspect this product and require it to be placed in inedible products; thus, it can be seen between nonfederally inspected packers and federally inspected packers, what it costs to keep their plant clean and their products clean and sanitary.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a statement of how the amendment will work if it is enacted into law. It will not require the OPA to go out and inspect, or examine several thousand packing institutions. It only makes it illegal for the OPA to set a ceiling price which will not reflect to the small slaughterhouses a chance to get back the money which they have invested in purchasing and slaughtering animals together with a profit. If the amendment is adopted this is all that would take place; if I operate a slaughterhouse, for example, and cannot get enough money out of my operations to pay expenses I will take my books to the OPA and say, "Here are my books. Look them over, I cannot continue to do business under the present rules and regulations." If I cannot convince the OPA that I need relief, the OPA will not give relief. However, if I can make a showing satisfactory to OPA then it should give me an additional subsidy to enable me to remain in business. I do not ask to have prices raised—in order to allow me to continue to do business. That is all there is to the amendment.

Mr. MORSE. Mr. President, if the Senator will yield to me, I may say that

I think he has made one of the strongest points in this entire debate. If the amendment to which the Senator has referred were agreed to the OPA would not have to inspect the books of every processor in the United States. The burden would be on the processor to come to the OPA and show that the price which had been fixed did not permit him to operate at a fair profit.

Mr. THOMAS of Oklahoma. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Twelve minutes.

Mr. THOMAS of Oklahoma. Mr. President, if the Chair has not already ruled, I ask unanimous consent that the statement to which I have referred, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Senator from Louisiana has repeatedly said that the amendment will be impossible to administer because OPA would be required to examine the books of hundreds of processors before they could establish legal ceilings, and cites the opening language of the amendment which reads as follows:

"Provided further, That on and after the date of the enactment of this proviso, it shall be unlawful to establish or maintain against any processor a maximum price," etc.

Exactly the same language as the above is used in the Bankhead-Brown amendment relating to cotton added to section 3 of the Stabilization Act last year which provides:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity," etc.

The argument that the amendment would require examination of any additional figures before ceilings could be established is not true. The OPA has figures from virtually all companies in great detail combined into overall industry figures. Under the amendment they can proceed just as they have in the past and establish an industry-wide ceiling. If any processor objects on the grounds that the margin is not great enough, he must produce his own figures and prove to the OPA and the Emergency Court that the industry-wide ceiling does not return all of his costs plus a profit not less than the profit he earned in the base period. If he can prove this, the ceiling is illegal as to him, the processor who has protested.

If the protesting processor is a high-cost operator, he probably made no profit in the base period and therefore the industry-wide ceiling will probably be sufficient to return his costs as he would not be entitled to any profit. In any event, every legitimate processor who was in business prior to OPA has a right to have his ceilings fixed high enough so that he can recover all of his costs if he can.

Mr. THOMAS of Oklahoma. Mr. President, on the 8th of June, which was only a few days ago, Mr. Bowles released an amazing statement. It was an attack upon my amendment. I shall pay no attention to the attack, but I invite the attention of the Senate to the last paragraph of the statement, reading as follows:

The reconversion period brings new problems. Under the present law OPA can and will gear its price policies to the needs of the reconversion period so as to permit full employment and full production, the only final answer to inflation.

Here is the point, Mr. President: Mr. Bowles and his organization are now laying the foundation to take over the economy of the United States and carry it on after the war is over. Does any Senator doubt that? If you do, I exhibit for your attention a release from OPA dated November 4, 1944. The release has been kept secret. It is a memorandum directed to all members of OPA advisory committees from Chester Bowles, Administrator. Subject: Our Pricing Objectives in the Reconversion Period.

The OPA does not plan to fold up when the war is over. It plans to take over and have charge of reconversion. Mr. President, I thought the Senate had passed a resolution creating a committee to have charge of recommending legislation for reconversion. However, the OPA has other plans.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I will yield in just a moment.

Mr. President, I ask unanimous consent that the memorandum of the OPA to which I have just referred be printed in full in the RECORD at this point as a part of my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OFFICE OF PRICE ADMINISTRATION,

Washington, D. C., October 1944.

Memorandum to: All members of OPA advisory committees.

From: Chester Bowles, Administrator.

Subject: Our pricing objectives in the reconversion period.

For 2½ difficult years we have been striving to maintain a stable wartime economy. In general, our efforts have been successful.

Since the spring of 1942, when price control first became effective, the Department of Labor tells us that industrial prices have risen less than 3 percent. The cost of living, expressed in the individual prices of items purchased by the average middle-income family, has, according to the same authority, risen only about 9 percent in this same period.

FOUR REASONS WHY

There are, I believe, four basic reasons why we have been able to establish this record:

1. The tremendous wartime production of American farmers and American industry, which, in addition to our huge production earmarked for war, has provided us with \$90,000,000,000 worth of consumer goods and services in the past year.

2. The patriotic desire of the American people to save their money instead of spending it during wartimes.

3. The basic honesty of the American people which has kept the vast majority of them from patronizing the black market.

4. The Government stabilization program authorized by Congress in the Stabilization Act.

It has been the responsibility of the OPA under the Stabilization Act to administer the actual pricing of 8,000,000 products and services, and to establish rents for 14,500,000 dwelling units. It has been a staggering task.

The ground over which we have traveled has been new and unfamiliar. There have been no sign posts to guide us. Our policies have been developed laboriously by trial and error. Inevitably there have been mistakes, delays, and irritations.

ALL GROUPS HAVE BENEFITED

But the fact remains that the job so far has been accomplished. Prices and rents have remained relatively stable. Moreover,

this stability has been accomplished without hardship to any major economic group.

Industry profits in 1943, even after the payment of high wartime taxes, actually exceeded net profits after taxes in 1929. They were more than double the net profits after taxes in 1939. Net farm income after all expenses exceeded prewar levels by 170 percent. Industrial wages are at an all-time peak.

VE-DAY WILL BRING NEW PROBLEMS

The pricing policies which we have followed during the war period have been effective under wartime conditions. But today we look forward to more and more cut-backs in war production and the increased production of peacetime goods.

During the next 90 days we are hopeful that the war will be brought to a close in Europe. During the next 18 months or so we are looking forward to victory in the Pacific. As our economy partially reconverts to peacetime requirements we will be called upon to face rapidly changing economic conditions.

Within 3 months after Germany is defeated it is estimated that plants now producing 40 percent of our war goods can be freed for the manufacture of civilian goods. More than 4,000,000 war workers will be made available for the production of goods for which the American people are eagerly waiting.

The Federal Government has made it clear that industry will be assisted and encouraged to resume the manufacture of civilian goods as rapidly as possible. To this end, the War Production Board has announced that it will lift controls over most materials and manufacturing immediately after VE-day. The War Manpower Commission has stated all manpower controls will be lifted except in relatively few areas where they are essential to continued war production.

The only lasting answer to inflation is full production of civilian goods with all possible speed. For this reason we in the OPA welcome these developments as a major aid in holding prices stable.

But even under the most favorable conditions our pricing task will be a ticklish one. A weak price policy during the next few months can set in motion all the powerful inflationary forces that surround us. A rigid price policy in which no allowance is made for legitimate increases in costs could stifle employment and production and head us straight for a major depression.

WHAT HAPPENED IN 1919

In 1919 we met this same problem on a greatly reduced scale, and fumbled it badly. While there are many factors now which are totally different from those we faced after the last World War, it will be wise to examine carefully what happened to prices immediately after Armistice Day 1918.

During the First World War, with a minimum of price control, the cost of living increased by 62 percent from July 1914 to Armistice Day. Both corporation profits and net farm income rose to record levels.

Immediately after the armistice, in November and December, war controls were dropped. In March 1919 the price level again started upward as a wild scramble for inventories and new goods developed.

This postwar inflationary rise continued at an increasing pace. By June 1920 living costs had risen to 108 percent above the 1914 level—an additional 46-percent increase after Armistice Day. Wholesale prices, which had risen 102 percent, went on to a peak of 148 percent above prewar levels. Wages and pay rolls, business earnings and farm income—these, too, continued their climb.

And then came the collapse. Within 22 months factory pay rolls dropped 44 percent to bring misery and privation to millions of our workers. Net farm income dropped 66 percent; 436,000 farmers lost their properties through foreclosures during the next 4 years.

Corporate profits after taxes dropped from \$6,419,000,000 in 1919 to a net loss of \$55,000,000 in 1921. Inventory losses, amounting to \$11,000,000,000, wiped out practically all the reserves accumulated out of wartime profits.

That's the story of our price levels after the last war. Everybody had moved up together and everybody came down together. We went up fast; we came down hard. It's a story that provides a perfect lesson on how not to handle our pricing problems during the next few months. It's a story which we must all be determined shall not be repeated this time.

During the war our efforts have aimed solely at checking inflation. On VE-day the picture will change. When the telegrams go out canceling war orders, the forces of deflation will begin to develop.

From that day on until full production is achieved and supply and demand come into reasonable balance, the forces of inflation and deflation will exist in our economy side by side. Right now it is impossible for anyone to say with finality which will be the greater.

THE DANGER OF INFLATION

Let's first take a look at the huge inflationary pressures all ready to push prices up as soon as the war in Europe ends.

By the end of 1944, \$100,000,000,000 of wartime savings will be waiting in the hands of people who have been unable to buy many of the things they wanted most—a new car, an electric refrigerator, a washing machine, a sewing machine, a new stove, new farm machinery, a new house.

Obviously, it will be impossible to produce all of these articles in sufficient quantities immediately. But people don't like to wait. The pressure of buyers with good jobs and a backlog of wartime savings will be tremendous.

Merchants will be anxious to be among the first to offer new goods for sale. The retailer who can quickly build a good inventory will be in a position to capture the business.

Every manufacturer, too, will want to be among the first to produce these goods. The competition for materials will be considerable. To back up this competitive desire for inventories and raw materials are billions of dollars in wartime reserves.

THE DANGER OF DEFLATION

But, as I have pointed out, inflationary pressures are only one-half the story. Deflationary pressures—some of them inescapable, some of them potential, are equally dangerous.

The closing of plants built only for war production—which probably cannot make peacetime goods—will require an estimated 2,000,000 people to look for peacetime jobs elsewhere. Millions of others will face temporary unemployment while the plants in which they work set up their new production lines for civilian goods.

In all plants changing over to civilian production, the return to the 40-hour week will reduce the workers' weekly take-home pay. Even a 10-percent cut in hours, which seems probable soon after VE-day, will cut salaries and wages by something like \$12,000,000,000 in a year.

Adequate unemployment compensation will, of course, help to some degree to hold up purchasing power. Our huge backlog of savings will also serve as an antidepressant asset. But fear of prolonged unemployment can make people hesitant to spend their savings except for necessities. A man out of work goes slow in building a new home—even though his savings account is still ample.

Up to now business and industry have been able to absorb the men—more than 1,250,000 of them—who have been mustered out of

the armed forces. However, when our soldiers and sailors start coming home after VE-day there may be more men than jobs until industry hits its stride.

If reconversion is slow, the national income will be dangerously down while millions of workers are waiting to return to work. Slowness in reconversion would also mean a let-down in demand for basic raw materials.

The Government has been spending about \$70,000,000,000 a year for war materials and construction, and that money has provided good jobs at high wages. Within 3 months after the defeat of Germany it is estimated that this will be cut to about forty billion. To a major extent that's money out of our pockets, until we get civilian production going on a comparable scale.

Some of these deflationary threats we cannot hope to avoid. Some of them are temporary and the speed or slowness of reconversion will determine the extent of their influence. Others may not materialize, unless businessmen and their customers—frightened of the future—are afraid to invest and spend their money.

But after VE-day the threat of deflation cannot be ignored.

WE MUST RESIST BOTH FORCES

Statistics alone cannot measure either of these dangerous economic forces. Behind them lie the psychological factors of over-optimism on the one side or fear on the other. Both of these are products of uncertainty.

Uncertainty about prices is one of the most dangerous. It could lead to a wild speculation or to a drying up of purchasing power. That is why we are determined to do all in our power to hold prices stable during the months ahead.

It will take careful planning and intelligent cooperation on the part of all of us as a nation—Government, industry, labor, farmers—if we are to guide ourselves successfully through this difficult transition period.

There are many factors which will determine our success or our failure. The pricing policy we follow is only one of them. Our export policy, our tax policies, our disposal of Government-owned war plants and surplus war goods will all play an important part.

But our OPA responsibility is for pricing and for pricing alone. What shall our reconversion price policies be?

WHAT OUR PRICING POLICY MUST ACCOMPLISH

The pricing policy on the reconverted civilian products which we adopt to meet the difficult conditions which lie ahead must, in my opinion, accomplish the following:

1. It must encourage maximum production. It must not stand in the way of the manufacturer's desire to produce to the limit of his capacity. This means prices which yield good profits for business, large or small, on the basis of high-volume production.

2. Our pricing policy must be easy to apply. Decisions must be made rapidly. Manufacturers have a right to expect from us the quickest possible answers on requests for prices on new items. We must realize, however, that prices cannot be set without adequate information from the businesses affected.

3. Our pricing policies in the reconversion period must encourage the continued payment of high wage rates. When wages are reduced purchasing power begins to dry up. Through the loss of overtime and through some unavoidable unemployment, as plants are reconverted from wartime production to peace some deflation in the take-home wages of our industrial workers is inevitable. If this trend were increased by pricing policies that would result in a general lowering of wage rates, we would soon face a serious depression.

4. Our pricing policies must continue to protect the public against general increases in the cost of living. Rents, food prices and clothing prices must be held at no higher than present levels. On consumer goods which have been out of production for some time, price increases must be given only when absolutely necessary, and then held to the minimum amounts needed to encourage volume production.

5. Our pricing policy must not contribute to any repetition of the farm collapse which followed the inflation in prices after World War I. The ability of our farmers to purchase industrial products and generally to increase their standard of living has been tremendously improved during the war period.

With sustained high purchasing power our farmers can furnish one of the largest and most profitable markets for industrial products. In my judgment that market, in the reconversion period as well as during the postwar period, must be encouraged vigorously and sustained. The responsibility for that, of course, lies in other agencies.

6. Our OPA pricing policy must call for the elimination of price control as rapidly as possible. This means that ceilings should be removed on each product or in each industry one after another, when there is no longer any danger of inflationary price rises in that particular field.

If we decontrol too quickly we will find ourselves in serious trouble with the possible need for reimposing controls at a later date. But if we hold controls in effect after they are no longer needed it will tend to discourage production and initiative on the part of industry.

It is obvious that the development of a pricing policy to meet all these objectives is a difficult task. But if we are to achieve a vigorous, full production economy with a high standard of living and with full opportunity for every group, it must be successfully accomplished.

THE SIZE OF THE JOB

Let's take a look at the types of companies and products that have been under price control. Let's compare them with the others that will need to have their ceiling prices reviewed. In other words, let's take a look at the job ahead from the standpoint of administration.

Many companies have continued to make peacetime products throughout the war-production period. Others have continued the production of civilian goods, side by side with wartime commodities. Still others have for at least 2 years been wholly converted to the making of war materials. Some peacetime products have been entirely off the market since the first quarter of 1942. During the next few months they will become available to the general public for the first time in more than 2 years.

Price control now covers all civilian goods and many services. The principal consumer items now under price control have an estimated 1943 retail value of \$78,000,000,000, or 85 percent of total consumer expenditures in 1943. Among the most important of these are food, clothing, rent, furniture and furnishings, fuels, and certain services.

The regulations setting up ceiling prices in the fields now covered have been geared to the individual requirements of the businesses and industries affected. With few exceptions they have been fair both to buyers and sellers. They meet the legal obligation that they must be generally fair and equitable.

The important point is that these ceiling prices are already in effect and are working. They have stood the test of time and, as the record amply demonstrates, they have permitted full production and record profits. Our hard-earned experience in setting them has given us the know-how to work out ceilings for the industries coming back into civilian production.

These present price controls present no new problem. They will be continued in substantially their present form. We shall continue to use the same pricing standards, standards which during the last few months have been carefully reviewed and approved by Congress. In other words, we will expect absorption of cost increases on less profitable items, as well as on more profitable items, by industries which manufacture several lines and whose total profits are satisfactory.

We have been adjusting prices in cases of individual hardship ever since ceiling prices were established, and we will, of course, continue to do so.

We will also continue to allow price increases to industries whose profits have fallen below the level of the 1936-39 period. But in most of these consumer lines now in production, volume should increase as war restrictions are removed and as raw materials become more plentiful.

Overtime payments will probably decrease, and more efficient labor will become available. As a result of these factors, unit production costs should decrease. It is my belief, therefore, that with relatively few exceptions, firms which are now manufacturing consumer peacetime products will continue to prosper under present ceiling prices.

PRODUCTS WHICH HAVE BEEN OFF THE MARKET

What industries may need new ceiling prices? As we see it, they will be largely in the metal-using industries in the consumer durable goods fields—industries which for the most part have been out of civilian production since early 1942.

The retail value of the products made by these industries in 1941 was \$6,500,000,000. That represents only 8.5 percent of total consumer expenditures in 1941. Obviously, the percentage may differ for 1945, depending upon the speed and extent of reconversion, the progress of the war in the Pacific, consumer spending power, and many other factors. But it gives us an idea of the size of the problem.

Fewer than a dozen types of goods make up over 85 percent of the value of all items which may need a reconversion price. These are automobiles and parts, refrigerators, sewing machines, washing machines, vacuum cleaners and other electrical household appliances, radios, phonographs, pianos, heating and cooking equipment, clocks and watches.

The hundreds of miscellaneous items in the durable-goods field amount to only 15 percent of the problem. These, like the 85 percent, may or may not need new prices.

About a score of companies manufacture 80 percent of all the items which will soon be coming back into production. The remaining 20 percent are produced by about 25,000 additional firms of varying sizes.

From our administrative point of view the problem is substantial. But it is not as great as generally assumed. It is smaller than others which we have handled successfully in the past.

WHAT WILL NEW PRODUCTS COST?

In general, our objective in setting ceiling prices for these new goods will be the manufacturer's own 1942 prices. These are the prices he was charging when he converted from civilian to war production. And, with few exceptions, these are the ceilings in effect today for any manufacturer still producing the same or similar goods.

This means that any manufacturer who is planning to put new civilian goods on the market at 1942 prices or less knows now that his ceiling price will not be lowered. As soon as production and manpower controls are released he can proceed at once. Reconversion pricing will not be one of his problems.

In practically all consumer durable-goods industries there have, of course, been increases in wage rates and some increases in material prices. But we know from the wartime experience that increased wage rates and

material prices need not be fully reflected in price increases for the finished product.

In industries now under price control, such as textiles, meat packing, paper and pulp, for example, substantial increases in either hourly wages or materials prices, or both, have occurred. In none of these cases, however, has it been necessary to allow price increases anywhere near equivalent to the cost increases.

In most cases the price increase has been only a small fraction of the full equivalent. Nevertheless, profits have moved up sharply—so sharply in fact, as to suggest that the cost increase should often have been entirely absorbed without unfairness to the industry.

In cotton textiles, average hourly earnings increased 25 percent between December 1941 and May 1944, while materials prices rose 19 percent during the same period. To offset these increases in full, a price rise of 17 percent would have been necessary. The actual price increases during this period average only 6 percent. Profits of the industry before taxes nevertheless rose 33.3 percent between 1941 and 1943.

In slaughtering and meat packing the experience has been similar. To reflect fully increases in average hourly earnings and material costs between 1941 and 1943 would have required a price increase of 30 percent. The actual increase (including subsidies as a 10 percent price increase) was the equivalent of only a 16 percent price increase. Cost absorption here was therefore about 50 percent. Yet industry profits in 1943 were 68.2 percent above 1941 levels.

In the paper and pulp industry, average hourly earnings have increased 17.7 percent since 1941. Material costs have increased 19 percent during the same period. If these increases had been fully reflected, prices would have had to increase by 14.6 percent. Actually, paper and pulp price increases during this period averaged only 4.2 percent while industry profits have continued at the 1941 level.

Our experience in these fields and dozens of others strongly suggests that in the consumer durable goods industries, where increases in wage rates have been no greater and increases in materials prices have been substantially less, production for most companies can be resumed at approximately 1942 prices.

There are some companies, however, and perhaps a few industries whose costs have risen so far above their 1942 level as to make full absorption impossible. These will need new prices. They will need them quickly, and we intend to see that they get them.

HOW NEW PRICES WILL BE SET

It is our hope that ceiling prices for the major fields can be arrived at through industry-wide conferences in Washington. We are now planning meetings with members of the automobile, electric refrigerator, washing machine, radio, and a few other industries—representing on a dollar volume basis 80 percent of the entire reconversion pricing problem.

At these meetings we will discuss the volume each industry plans to achieve; what they are going to pay for labor and materials; the savings they expect to make through increased plant efficiency, and lower sales costs. We will also be guided by prices which they feel, on the basis of their own experience, are most likely to assure the wide-scale consumer buying necessary to maintain volume production.

In those cases where an increase over the 1942 price level is really needed to bring any product back on the market, an increase will be given. We will make every effort to set ceilings at a point that will lead manufacturers to expand, not restrict, their production.

PRICES FOR 25,000 SMALLER MANUFACTURERS

I am well aware that any delay on our part in setting prices would be an even greater hardship for small manufacturers than for large ones. We must make sure that any manufacturer who needs a new price can get a decision quickly. In order to do this, we will authorize the 93 OPA district offices, located in all parts of the country, to set the final ceiling price for all reconverted products not on the key list of 12 major items.

Many firms have already indicated that they plan to sell at their 1942 prices, or even lower, as soon as they can get back with civilian production. They will not need to call on our field offices at all.

Firms whose higher production costs make a price adjustment necessary will be able to present the facts to the nearest office and receive a price based on a set of standards arrived at in Washington. These will be standards that can be quickly applied without referring back to Washington.

The exact method by which the prices for the smaller firms will be set and the standards which will be followed are now under discussion with many of our advisory groups and with our field officers, on whom much of the administrative burden will fall.

Barring the sudden end of the war in Europe, the details will be withheld until these discussions are finished.

A complete plan, including pricing standards for the smaller manufacturers, however, has been fully developed. If necessary, we are prepared to announce full details of the pricing procedure that each manufacturer (with the exception of those making the major items listed above) will follow within 48 hours after VE-day.

Finally, we are studying the possibility of completely exempting from price control certain manufacturers in the consumer durable goods field. This might be done in two ways: First, by exempting all manufacturers doing less than a certain annual volume of business—say \$100,000; second, by exempting manufacturers of minor parts or miscellaneous products.

We are anxious to do this in order to eliminate as rapidly as possible all unnecessary red tape and needless regulation. We are investigating the extent to which this can be done without endangering effective price control in the consumer durable goods field.

WHEN WILL CONTROLS BE LIFTED?

We have always looked upon price control as a stopgap, a stabilizing wartime control to be dropped as soon as production brings supply and demand reasonably in balance. The last war, with its false economic calm after the armistice, followed by a ruinous inflation and collapse, taught us the danger of moving abruptly and thoughtlessly. To maintain controls needlessly even for a few extra months would be equally mistaken.

The wartime lack of balance between supply and demand made price control necessary. When supply and demand come back into balance price controls will not be needed. As soon as there is no further danger of price increases in a particular commodity field there will be no reason for price ceilings in that field and we will drop them.

The exact timing will vary widely from item to item. But, working with Industry Advisory Committees, we will watch each field closely. We will rely heavily on their recommendations as to when controls can be safely removed.

INDUSTRY'S RESPONSIBILITY FOR THE FUTURE—SOME PERSONAL OBSERVATIONS

In this memorandum I have discussed Government wartime controls over prices and rents. I would like to add, however, a few personal thoughts on the problem which industry will face when all Government controls have been eliminated.

I must emphasize that these ideas represent my personal opinion only. They are based on my own experience and observations gathered in my own business before the war and, more recently, in dealing with policy problems as a wartime employee of our Government.

Most of us think of free enterprise as a system in which prices are set by competition and the law of supply and demand. Unfortunately, before the war this concept was true only in part of our economy.

In too many industries prices were held up artificially in order to provide higher unit profits. Because of this policy, in some industries full production and employment were curbed. In many cases businessmen pursued a policy of high unit profits based on curtailed production, rather than going after the larger total profits that might have come through larger volume at a lower profit per unit.

During the war we have all had an opportunity to learn much about our economic system. Before the war few of us visualized the tremendous productive power of our American economy. The fact that this miracle of production has been achieved during wartime will have a significant influence on our peacetime industrial planning.

It is unlikely after the war that our people, including our 11,000,000 returning servicemen, will long tolerate any economic system which does not provide reasonably full production with reasonably full employment at a high standard of wages and farm income.

As a practical matter, we cannot go back to the production levels of 1940. The Department of Commerce recently estimated that if in 1946 we were to go back to 1940 total production at 1940 hours of labor there would be 19,000,000 unemployed. There would be a cut of more than 30 percent from our present level of production.

Such an economic reversal would mean shrinking markets and falling prices for farm products, as well as the products of our factories. It would mean that our farmers, our workers, and our returning soldiers would again have to compete bitterly with each other for their frugal individual shares of economic scarcity. It is obviously unthinkable.

If we attain full production and experience, a corresponding increase in the national purchasing power, the Department of Commerce says we would be able to spend 40 percent more for food in terms of a more varied diet, better qualities, and increased services in connection with processing and distributing food products—45 percent more for clothing, 55 percent more for refrigerators and other electrical equipment, 70 percent more for household furniture, 90 percent more for new farm machinery, and two and one-half times more for new homes than in 1940.

We who have been close to American industry during the war period believe that industry can successfully meet this test of the future. But I believe we are all aware, both in Government and in industry, that in order to reach this goal we must establish and maintain close cooperation among all groups—business, labor, farmers, and Government.

During the next 5 years, of all periods in our history, we will need economic courage, good sense, and a common understanding of the problems that we face.

If, during the next few years, major segments of American industry operate on a high-price, high-unit profit basis, we are going to have diminished production and dangerous unemployment. If major segments of American industry attempt to cut prices by depressing wage rates, we will face the dangers of another disastrous depression.

The basic answer to our economic future, it seems to me, lies in the maximum hourly

production on the part of labor; high wage rates, low unit profits, and the greatest possible volume on the part of industry; the maintenance of high farm income; and the joint realization of all groups that the prosperity of each depends on the prosperity of the others.

During this difficult war period we have all learned to cooperate and to work together on a constructive give and take basis. We are winning the war today because each group—our soldiers and sailors, our industrial workers, our leaders of enterprise, our farmers and our Government—have worked as part of a team.

We have had our occasional differences of opinion. But we have never had to argue about where we wanted to go or the speed with which we wished to get there.

Our economic future, like the winning of the war, rests in our own hands. This challenge is as great as the war itself.

Mr. THOMAS of Oklahoma. Mr. President, if the OPA takes over it plans to roll back prices to 1941 and 1942 levels. The OPA plans to roll back prices of all commodities, including labor, to where they were in 1941 and 1942.

If this amendment shall be voted down, the vote will be, in effect, to turn OPA loose to do as it pleases.

Mr. President, on page 6 of the memorandum which I have asked to have printed in the RECORD the OPA refers to 1941 and 1942 prices. Allow me to state what 1941 and 1942 prices were, Mr. President. Then I will yield if I have any time left.

In 1941 wheat sold for 96 cents a bushel. Wheat sold for only \$1.18 a bushel in 1942. OPA will roll the price of wheat back to 1941 or to 1942.

Let us consider cotton. The OPA will roll the price of cotton back. In 1941 cotton sold for 17.03 cents a pound, and in 1942 it sold for 19.14 cents a pound. OPA will roll cotton back to the prices of 1941 and 1942.

Let us take corn. In 1941 corn sold at 75 cents a bushel. In 1942 it sold at 91 cents a bushel. The OPA will roll the price of corn back to the 1941 and 1942 levels.

Let us also consider hogs. In 1941 hogs sold for 9.09 cents a pound. OPA expects to roll back the price to what it was in 1941 and 1942.

Let us take cattle, for example, and we will find the same situation exactly.

Mr. President, if the OPA rolls back the prices to the farmers and growers they will then proceed to take up the subject of wages. I am wondering if my good friend, the head of the American Farm Bureau, is in favor of rolling back prices to where they were in 1941 and 1942. I wonder if the men representing the great labor organizations will stand for an order rolling the wages of labor back to what they were in 1941 and 1942.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator got away from the point about which I wanted to interrogate him. He was putting forth what seemed to me to be a bogey that Mr. Bowles had planned to take over and run the economy of this country. I am sure the Senator knows that Mr. Bowles nor anyone under him may operate 1 day or 1 hour without the approval of Congress.

Mr. THOMAS of Oklahoma. Then why has Mr. Bowles issued this kind of literature?

Mr. BARKLEY. Because already there is a certain amount of reconversion taking place. His statement is in respect to a policy of the OPA in regard to matters of conversion while it is in existence and going on. Reconversion is now taking place. Instead of rolling retail prices or other prices back to what they were in 1942, the Senator from Oklahoma knows that there are many products which are not now in existence. The only correct criterion to follow is the price that the product brought when it was last on the market.

Mr. THOMAS of Oklahoma. Mr. President, my time is limited. I have only 1 or 2 minutes left, and I wish to continue with my statement.

Mr. BARKLEY. When the last two price increases in material and labor are taken into consideration, if the Senator will study the statement—

Mr. THOMAS of Oklahoma. Mr. President, I make the broad statement that the OPA has not been authorized by Congress to have anything to do whatever with reconversion. It does, however, have power to fix prices at the present time. If this bill is enacted into law the OPA will be in power for at least another year. However, I maintain that it has no power under any law to take over the regulation of the domestic economy of the United States and manage it after the war is over. The War Production Board could do so, but not the OPA.

Mr. President, I submit the amendment on its merits.

Mr. BARKLEY. Mr. President, I do not want to shut off anyone from debate, but I hope that we can reach a vote on the pending substitute before we adjourn today. Therefore, I urge Senators to remain in the Chamber.

Mr. TAFT obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I do not wish to shut off any Senator from debate, but I hope we can have a vote on the pending substitute before a recess is taken tonight. Therefore, I urge Senators to remain in the Chamber until a vote is had.

Mr. TAFT. Mr. President, I rise to oppose the Barkley substitute. I may say the substitute represents a third concession made by the Price Administration after considerable pressure. It seems to me that they are still protecting themselves against having to do anything they do not want to do. The language is so vague as to "a reasonable margin of profit to the processing industry as a group," that I think they can interpret it to mean almost anything. They can choose the industry members on whom they wish to base the profit, they can average the whole thing, they can average it in any way they want to average it. I do not really think it proposes any definite standard for the Price Administration.

The objections to the Thomas amendment, and to my amendment, as well,

have been made on the floor today in two or three groups. In the first place, it is claimed that it is not possible to protect every individual packer, because that would impose a vast job on the OPA. Let me say that is exactly what the OPA is doing in nearly all the reconversion industries. I talked with Mr. Brownlee at the time of their announcement of the reconversion policy, and they propose to fix a 1942 price, practically, on all reconversion products. Then they are going to each firm, and if the firm can show it is losing money, as practically all of them are, we know it could get a special price. Mr. Brownlee said it would impose a very large administrative task, but that he thought they could do it. Now they say that it is impossible to be done.

As a matter of fact, they do not have to do that. They can fix a reasonable price for meat which will return a fair profit to those who received fair profits in the prewar period, those who were efficient enough, and it will be a flat price for all meat. There will be a few less efficient processors, who did not make that much profit before the war, or who are not making it now, who will go down to practically a break-even basis. Under the Thomas amendment, it is true, they would have to be given a special price. At the present time they can get by, probably because the supply of meat is so short, but as it becomes more plentiful, they will have to take their loss, because they will not be able to get the additional price.

There is no guaranty of profits in this undertaking, unless there is a tremendous shortage in the particular goods. It is merely a question of where the maximum price shall be fixed. The statement is, "You shall not fix a maximum price which will not return a reasonable margin over cost to those who are in the business."

After all, these people have been in business all their lives. They succeeded in the prewar period. Why do they not have the same opportunity today, in the postwar period?

Mr. PEPPER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield for a question, but it is not a precedent, because my time is limited.

Mr. PEPPER. Is it not a fact that if any benefit is to be derived by the processors whom the amendment seeks to benefit, it will have to come out of the consuming public?

Mr. TAFT. Either the consuming public or through an additional subsidy. Personally, I think it should come out of the consuming public. I think the consuming public is perfectly able to pay it, and I believe very strongly that the prices have been held down too much. Yesterday I cited statistics which show that in the past 4 years the take-home wages of labor have increased 78 percent, whereas prices have risen 26 percent. The price level is well below the wage level. It is well below even the current hourly rate of wages, which has gone up, according to one method of cal-

culating, 45 percent, and according to another method, 37 percent.

The statement is made that a controlled inflation is a break-down of our economy. What have we had for the last 4 years except controlled inflation? There is inflation today, and everyone recognizes that fact. Prices have risen 26 percent. The currency has increased in volume three times, and bank deposits have doubled during this period. There is no question that we have inflation today. An increase of 78 percent in take-home pay is inflation. The increase in wage rates is inflation.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. TAFT. I am sorry; I have not sufficient time to yield, as I should prefer to do.

There is no question that what we have today is controlled inflation. We cannot stabilize everything when a war starts and keep it so. There was an effort to freeze wages 2 years ago and an effort to freeze prices, and since that time the hourly rate of wages has risen 12 percent, in spite of the Little Steel formula, while prices have risen 1 or 2 percent. There is inflation. If we recognize an increase of prices, we recognize the necessary result of an inflation which has already occurred, and if we keep the price level below the general standard of inflation in other respects, it means that industry is probably conducted at a loss; it means people will not be able to go into business in the reconversion period; it means that we will not be able to put people to work; it means that people will not be able to obtain the employment which they wish to obtain.

It is said that certain industries have made too much profit. That was the principal argument made by two of the Senators who have spoken. What do they mean by that? They are taking the 1944 profits. Most of these industries are engaged in the production of war goods, and a large part of the profits are war profits. But in the case of a steel company, for instance, as soon as it quits manufacturing materials for war and returns to the manufacture of ordinary steel products at 1942 prices, it will be in such a position that it cannot make any money; it will not wish to expand its business, and will not care to put anybody to work. We must remember, furthermore, that when we talk about profits, we are talking about what happened a year ago, in the year 1944. We cannot get a report on over-all profits of industry until 3 months, at least, after the end of the fiscal year. So when we talk about conditions a year ago, that is to say, before VE-day, before we had the problem of reconversion facing us in any respect, such profits show nothing as to what is happening today, and what will happen as to reconversion profits.

Furthermore, it is said we cannot give industries prewar margins because the volume is greater today, and therefore they will make more profit. As a matter of fact, the volume is greater for those who have been in the business of producing war goods, and it is greater in some other respects, but there are many industries whose volume is not greater than

it was before the war. There are many industries which, particularly doing the period of reconversion, will have a very limited volume, and have difficulty in reaching the volume they enjoyed in the prewar period.

It seems to me obviously just and clear that if we want to put people to work making civilian goods, and afford employment to 2,000,000 men from the army and to two or three million men who will be leaving war industries in the next 6 months, we should enable the industries to make the same margin of profit over cost they made before the war came on.

Mr. President, that is only fair, and if we do not give them any margin, or make them operate at a loss, they will not expand their business. They may come back into business in order to keep their hand in, but they will not try to do the business they did before the war.

The soldiers who want to go into industries will not be able to do so if the profits of the industries are held at low figures. In the case of a limited number of products many industries have profitable prices, but I cited last week industries making textile machinery going back into that operation, as well as industries making wood-working machinery, referred to by the senior Senator from Wisconsin [Mr. LA FOLLETTE]; integrated steel companies, meat packers, furniture manufacturers, cotton oil mills, cloth and suit manufacturers, paper box manufacturers, electric iron manufacturers, manufacturers of women's shoes, manufacturers of agricultural products, auto parts, screw machine products, particularly automobile parts, and the Maine paper industry to which I referred.

There is a wide list of products which today are priced at a figure which do not return the cost and which certainly do not give any margin which will induce producers to put any people to work. Of course, to the extent that the profits of 1944, which were referred to, are war profits, they are subject to renegotiation. If the profits are too great, the Army and the Navy take them away from the producers. The profits are subject, furthermore, to 80 percent excess-profits tax if they are excess profits. Certainly that, Mr. President, is a sufficient limitation on profits.

I was afraid that if this subject were brought up contrast would be made between profits and the men who have given up their lives in the war. I have not thought the system in effect during the past year was the correct system, but I felt that during the war these companies should be casualties of the war and should be so regarded. Now, however, as we approach the reconversion period, we face another question, and in the next 6 months the effect on the economy of the country from civilian production will be greater than from war production, because war production will be cut down, certainly less than 50 percent, and perhaps closer to 25 percent, below what it was when we were engaged in two wars.

The question of getting people back to work now becomes important. It is

not a question of sacrifice. I do not care whether corporations make any profit or not, so far as they are concerned. The point is that unless we set up an economy based on a normal price level similar to that of the prewar era, which gives a reasonable margin over cost, we are not going to have reconversion, we are not going to have employment, we are not going to develop the dynamic economy which is supposed to put 50,000,000, 55,000,000, or 60,000,000 people to work in the United States.

Incidentally, there are many figures given to show percentage of profit in some years over other years when companies did not make any profit. Of course, if they do not make any profit, or perhaps a profit of only \$1,000 in one year, and in another year make profits of \$290,000, there is a difference of 290 percent, even though \$290,000 is a low return on the actual capital invested in the business.

Mr. President, I want to make it clear that the Thomas amendment and my amendment together cover very much the same points. The Thomas amendment does provide that each processor shall receive a profit. That is because the Senator from Oklahoma is interested in production. He is interested in keeping every packer in business. After all, they succeeded in keeping in business in peacetime. I do not know why they should be put out of business in wartime. But the basing system could be exactly the same. It could be the reasonable cost to a reasonably efficient producer plus the margin he made in the prewar period. Then under the Thomas amendment it would be necessary to take care of the limited margin producers and give them a little more, by allowing them to charge a higher price if they can get it. Under my amendment producers are entitled to make a profit, or no profit at all unless they can get the business up to the normal standard.

The Senator from Kentucky said the question came down to the meat business. The only reason for that was that the meat business presented such a glaring case of inefficiency on the part of the OPA. In this case it was so clear that their policy interfered with production, it was so clear that they have forced little fellows out of business because they had an over-all industries profit, that it has come to the public attention, and has caused such pressure on the OPA that the OPA have yielded once, twice, and finally yielded a third time. Finally they agreed, under the strong pressure of the Senator from Kentucky, really to write the policy into an amendment instead of simply writing a letter that they would make changes as they pleased as they went on. But it seems to me that the amendment offered by the Senator from Kentucky is exceedingly indefinite. It does not tie the OPA down to anything, and to my mind it does not meet and solve the meat problem any more than it meets and solves any other problem.

Above all, I believe we stand at the crossroads today asking, as we go into reconversion, whether we are going to have our policy based on a reasonable

return to those who want to go into business, or whether we want to have them so hamstrung by restrictions and price limitations that they will not go into business, so we shall not put men to work, but shall create a tremendous unemployment problem which can not even be taken care of by the bill introduced by the Senator from New York [Mr. WAGNER], by spending vast billions of Government money in order to put people to work.

If Senators really want a private industry system in this country it is necessary to give private industry a chance to operate under normal conditions. It is necessary to give men a chance, and not be tied down hand and foot by Government restrictions. I do not think private industry can operate normally unless we adopt the Thomas amendment and the Taft amendment, whereby the OPA will be told clearly that Congress disapproves of the over-all industry standard, which helps only the big fellow and makes all the smaller companies sell at a loss, and that Congress proposes to require them to consider each product it is desirable to have manufactured in the postwar period and price it fairly as a product so that persons may be induced to go into the business of manufacturing it and may be induced to put other people to work in the making of the particular product.

Mr. MAGNUSON. Mr. President, I had intended to say something in answer to what the distinguished Senator from Ohio [Mr. TAFT] has said his amendment would do respecting labor, but the hour is late. Substantially, of course, the Senator from Ohio would not reduce dollar wages. All his amendment would do would be to increase prices to the laboring man. I have compiled some figures on corporate income and on the wages of the laboring men of this country. I ask unanimous consent to place the statement I have prepared in the RECORD, as an answer to the position taken by the Senator from Ohio.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DRAFT OF STATEMENT BY SENATOR WARREN G. MAGNUSON ON LABOR ASPECT OF SENATOR TAFT'S POSITION

One of the most alarming implications in the position taken by the distinguished Senator from Ohio in his speech to the Senate last week and, I may add, in his radio debate with Leon Henderson has thus far escaped attention.

It must be brought out into the open.

Senator TAFT in his debate yesterday said: "Whereas prices have gone up only 1½ percent in the cost of living index, the wages in this country have gone up more than 10 percent in 2 years."

He followed this statement with a variety of other measures of increases in labor's earnings and rates of pay.

From this he drives straight to the following conclusion. Let me read his words:

"The cost of living price level has gotten entirely out of line with the wage level."

To make it perfectly clear that in his opinion this relatively greater increase in wages is not deserved, he then asserts—and I quote:

"I do not think the slightest evidence has been offered that there has been any increase in the efficiency of wage earners."

Senator TAFT has made it abundantly plain how he would correct this out-of-lineness of living costs and wages.

Senator TAFT would not reduce dollar wages. All he would do would be to increase prices. In other words, he would let the worker take home just as many dollars at the end of the week. He would simply cut down the things which the worker's dollars would buy.

Why does Senator TAFT propose this assault on the American workman's standard of living? Does he think that the American workman has been living too well during this war?

I am sure that the distinguished Senator from Ohio would not admit this. The Senator's position seems to be that unless the relative purchasing power of the worker's dollar is kept static the American productive economy cannot thrive.

This is an extraordinary philosophy for a Nation which has committed itself to a program to attain full employment after the war.

I recognize, of course, that there is always the possibility that so serious maladjustment between prices and wages could come about as to require an increase in the price level. But what is the elementary test of such a maladjustment?

The test, of course, is whether business profits have been squeezed to such a point that business cannot continue to operate at a high level of production. The proper line of inquiry, therefore, is to see how business profits have been faring during this period when in Senator TAFT's view the cost-of-living index has gotten out of line with the level of wages. This is so obvious that it is extraordinary that the Senator should have made no mention of the rise in the level of business profits, incorporated and unincorporated, during the very time that Senator TAFT would have us believe business enterprise is being squeezed between fixed prices and rising wages.

Let us look to the record. The facts are in the committee report at pages 3 and 4.

Senator TAFT notes that since the 1st of January 1941 take-home pay has gone up about 80 percent. How did corporate profits rise during that same time? Let us compare the profits for the year ending December 31, 1940, with the profits for the year ending December 31, 1944, and let us look only at profits after all corporate income and excess-profits taxes had been paid.

In 1940 that income was \$4,800,000,000. In 1944 it was estimated at \$10,000,000,000. That makes a percentage increase of slightly over 108 percent—call it just 100 percent to take care of any error in the estimates.

Does an 80-percent increase in take-home pay seem excessive to Senator TAFT because corporation profits have risen only 25 percent faster? Just what would he consider the proper in-line relation, between corporation profits?

Of course, I realize that all business is not incorporated. Let's see what unincorporated business has done. The comparison appears on page 4 of the committee report. These are profits before taxes because, of course, there are no corporate or excess-profits taxes levied against unincorporated businessmen. The proprietor pays only his personal income tax, just as the wage earner does. Senator TAFT has manifested special concern lest business has been too tightly squeezed during the past 2 years when prices have gone up less than 2 percent while he claims wages have increased more than 10 percent. What did corporation profits do after taxes during those 2 years, 1943 and 1944? Comparing profits for the year ended December 31, 1942, with profits for the year ending December 31, 1944, the increase registered is 20.4 percent. That may look like a squeeze to the Senator from Ohio, but it looks like extremely good business to me.

The table on page 4 of the committee report gives the aggregate dollars of increase between 1940 and 1944 by four types of sellers—manufacturers, wholesalers, retail dealers, and service trades.

The percentage of profits increase during this period for the unincorporated manufacturers is 87 percent. The percentage for the unincorporated wholesalers is 83 percent. For unincorporated retailers the percentage is 94 percent, while for the unincorporated service trades the percentage is only 39 percent. Apparently, then, it is only the unincorporated service trades which have failed to gain more than the gain in labor's take-home pay.

Latest figures for 1945 on corporate profits show that the spectacular levels of 1944 have almost been maintained. Some falling off, to be sure, may be expected as war spending declines. But war spending for the 6 months after January 1, 1946, is officially estimated by WPB to be at the rate of \$73,000,000,000 per year.

With spending on that scale still continuing during the second half of the period covered by the proposed extension of this act, it is fantastic to suppose that corporate profits will be so far reduced as to require a reduction in the real wages of American labor.

Senator TAFT underestimates the American businessman. He has achieved production miracles during the past 4 years and he has been amply and properly rewarded for them. I do not think that he is going to cut down production now until his already magnificent profits are enhanced by still higher prices.

Mr. THOMAS of Oklahoma. Mr. President, I promised certain Senators that I would notify them if a vote were to be taken this afternoon. In order that they may be notified, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	Myers
Austin	Green	O'Daniel
Ball	Guffey	O'Mahoney
Bankhead	Hart	Overton
Barkley	Hatch	Pepper
Bilbo	Hayden	Reed
Brewster	Hickenlooper	Robertson
Bridges	Hill	Saltonstall
Briggs	Johnson, Calif.	Shipstead
Brooks	Johnson, Colo.	Smith
Buck	Johnston, S. C.	Taft
Burton	La Follette	Thomas, Okla.
Bushfield	Langer	Tobey
Butler	Lucas	Tunnell
Capper	McCarran	Tydings
Chandler	McKellar	Wagner
Chavez	McMahon	Walsh
Donnell	Magnuson	Wherry
Downey	Mead	White
Ellender	Mitchell	Wiley
Ferguson	Moore	Wilson
Fulbright	Morse	
George	Murdoch	

The PRESIDENT pro tempore. Sixty-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY] as a substitute for the modified amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. BARKLEY. Mr. President, have the yeas and nays been ordered?

The PRESIDENT pro tempore. They have not.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BRIDGES. I have a general pair with the Senator from Utah [Mr. THOMAS]. If he were present I understand he would vote "yea." I transfer that pair to the Senator from Idaho [Mr. THOMAS] and will vote. I vote "nay."

Mr. TYDINGS. My colleague [Mr. RADCLIFFE] has been called from the Chamber on Government business. If he were present he would vote "yea."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

I announce that the Senator from Florida [Mr. ANDREWS] is necessarily absent. I am advised that if present and voting he would vote "yea."

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent in Europe visiting the battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from North Carolina [Mr. BAILEY], the Senator from North Carolina [Mr. HOEY], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from West Virginia [Mr. KILGORE] is absent because of illness in his family.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent in Europe on official business for the Interstate Commerce Committee.

I further announce that the Senator from Texas [Mr. CONNALLY] has a general pair with the Senator from Michigan [Mr. VANDENBERG].

The Senator from Idaho [Mr. TAYLOR] has a pair with the Senator from North Carolina [Mr. BAILEY]. I am advised that if the Senator from Idaho were present and voting he would vote "yea," and the Senator from North Carolina would vote "nay."

The Senator from West Virginia [Mr. KILGORE] has a pair with the Senator from North Carolina [Mr. HOEY]. If present and voting the Senator from West Virginia would vote "yea," and the Senator from North Carolina would vote "nay."

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. HAWKES], the Senator from Colorado [Mr. MILLIKIN], the Senator from Idaho [Mr. THOMAS], and the Senator from Indiana [Mr. WILLIS] would vote "nay" if present.

The result was announced—yeas 36, nays 31, as follows:

YEAS—36

Aiken	Hart	Murdock
Bankhead	Hatch	Myers
Barkley	Hayden	O'Mahoney
Briggs	Hill	Overton
Chavez	Johnson, Colo.	Pepper
Downey	Johnston, S. C.	Saltonstall
Ellender	La Follette	Smith
Fulbright	Langer	Tobey
George	Lucas	Tunnell
Gerry	Magnuson	Tydings
Green	Mead	Wagner
Guffey	Mitchell	Walsh

NAYS—31

Austin	Chandler	Reed
Ball	Donnell	Robertson
Bilbo	Ferguson	Shipstead
Brewster	Hickenlooper	Taft
Bridges	Johnson, Calif.	Thomas, Okla.
Brooks	McCarran	Wherry
Buck	McKellar	White
Burton	McMahon	Wiley
Bushfield	Moore	Wilson
Butler	Morse	
Capper	O'Daniel	

NOT VOTING—29

Andrews	Hoey	Scrugham
Bailey	Kilgore	Stewart
Byrd	McCellan	Taylor
Capehart	McFarland	Thomas, Idaho
Connally	Maybank	Thomas, Utah
Cordon	Millikin	Vandenberg
Eastland	Murray	Wheeler
Glass	Radcliffe	Willis
Gurney	Revercomb	Young
Hawkes	Russell	

So Mr. BARKLEY's amendment in the nature of a substitute for the modified amendment of Mr. THOMAS of Oklahoma was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the modified amendment offered by the Senator from Oklahoma [Mr. THOMAS] as amended.

The amendment as amended was agreed to.

Mr. TAFT. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to add the following:

SEC. 3. No maximum price shall be established or maintained, over protest, for any commodity or for any major product of a processor, manufacturer, or miner (other than products resulting from the processing of cotton and products of any species of livestock), which does not return to the proc-

essors, manufacturers, and miners of such commodity or major product, not less than the same dollar margin over cost if any, which they received for such commodity or major items in the year 1939. For the purpose of determining such margin, "cost" shall include, both for 1939 and current year calculations, labor, materials, overhead, sales and advertising expenses, taxes other than Federal taxes, depletion, depreciation, and all other expenses allowed as deductions by the Federal income-tax laws. "Costs" and "margin" for any group of processors, manufacturers, and miners shall be the average costs and margins of typical members of the industry to be determined by any reasonable method selected by the Administrator. Maximum prices fixed hereunder shall not be invalid because they fail to return his costs to particular members of such group. The word "miners" shall be defined as including all individuals, partnerships, and corporations engaged in the business of mining but shall not include employees.

Nothing in this section shall nullify the power of the Administrator to make adjustments and reasonable exceptions in individual cases under the provisions of section 2 (c) of the Emergency Price Control Act of 1942, but it is the intention of this section that an adequate general price level be established for all commodities and major products, and exceptions made only in special cases.

Mr. TAFT. Mr. President, I think it will take only approximately 2 minutes to explain the exact provisions of the amendment and the changes I have made which distinguish it from the former amendment.

The amendment as now offered applies to all processors, manufacturers, and miners. It does not apply to distributors, either wholesale or retail. In the amendment as now proposed, two products are completely excepted from it. One is products resulting from the processing of cotton, because they are dealt with by the Bankhead amendment. The other is products of any species of livestock, because they are dealt with by the Thomas amendment. My amendment as now offered covers both agricultural and non-agricultural products.

In line 13, on page 2, I have made a change by striking out the word "any" and changing the word "member" to "members", so that that part of the amendment would read "to return his costs to particular members of such group," so as to indicate that the maximum prices shall not be invalid if more than one member of a group fails to receive a return of his costs or fails to make a profit.

The amendment differs from the Thomas amendment, because under my amendment the fixing of prices would be done only upon application by an industry. The OPA would not have to go out and on its own motion examine the books or records of every processor.

The standard which is set is only an industry standard. It does not apply to any particular processor in any way. It simply provides that in the case of each industry, the OPA may select typical members by which to judge the industry, and the amendment would require that they shall have the same margin over their present costs that the industry enjoyed in the year 1939.

The greatest objection made to this amendment by Mr. Bowles in his statement of day before yesterday was that the year 1941, which I had used, was a year of exceptionally wide margin. So I have gone back to the year 1939. In 1937 everyone lost money. In 1938 profits were coming back; 1939 was approximately an average year. In 1941 and 1942 we began to feel the effects of the war. So the standard which I propose is the year 1939.

I think it is made perfectly clear that maximum prices shall not be invalid because they fail to return their costs to particular members of an industry, just as in peacetime some members probably lose money or do just a little better than receive their costs. So it is proposed that in the reconversion period the position shall be exactly the same.

However, the amendment would not exclude the possibility of making special arrangements, as the OPA does now under section 2 (c) of the Emergency Price Control Act.

I think I have previously made the arguments for the amendment. All I wish to say at this time is that the amendment contemplates merely that in the reconversion period—and we are just at the beginning of that period—maximum prices shall not be fixed by law for any product on which standard members of the industry shall not be able to recover their costs plus the same kind of margin they had in normal prewar times.

I think the statement of that formula itself is a statement of its justice and its wisdom, if we wish to bring about reemployment in the postwar period.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Idaho [Mr. THOMAS] and will vote. I vote "yea."

The roll call was concluded.

Mr. PEPPER. My colleague, the Senator from Florida [Mr. ANDREWS], is unavoidably absent. If he were present, he would vote "nay."

Mr. TYDINGS. My colleague from Maryland [Mr. RADCLIFFE] is absent on Government business. If he were present, he would vote "yea."

Mr. MORSE. The RECORD shows that my colleague, the distinguished senior Senator from Oregon [Mr. CORDON], is in the West attending meetings of the Committee of the Senate on Grazing Fees.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent. I am advised that if present and voting he would vote "nay."

The Senator from North Carolina [Mr. BAILEY], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr.

TAYLOR], and the Senator from North Carolina [Mr. HOEY] are absent on public business. I am advised that if the Senators from North Carolina were present and voting they would vote "nay."

The Senator from Virginia [Mr. BYRD], the Senator from South Carolina [Mr. MAYBANK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent in Europe visiting battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent on official business in Europe for the Interstate Commerce Committee.

The Senator from West Virginia [Mr. KILGORE] is absent because of illness in his family. I am advised that if present and voting, he would vote "nay."

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. HAWKES], the Senator from Colorado [Mr. MILLIKIN], the Senator from Idaho [Mr. THOMAS], and the Senator from Indiana [Mr. WILLIS] would vote "yea" if present.

The result was announced—yeas 26, nays 41, as follows:

YEAS—26

Austin	Capper	Robertson
Ball	Donnell	Saltonstall
Brewster	Ferguson	Shipstead
Bridges	Hart	Smith
Brooks	Hickenlooper	Taft
Buck	Johnson, Calif.	Wherry
Burton	Moore	White
Bushfield	O'Daniel	Wiley
Butler	Reed	

NAYS—41

Aiken	Fulbright	Johnston, S. C.
Bankhead	George	La Follette
Barkley	Gerry	Langer
Bilbo	Green	Lucas
Briggs	Guffey	McCarran
Chandler	Hatch	McKellar
Chavez	Hayden	McMahon
Downey	Hill	Magnuson
Ellender	Johnson, Colo.	Mead

Mitchell
Morse
Murdock
Myers
O'Mahoney

Overton
Pepper
Thomas, Okla.
Tobey
Tunnell

Tydings
Wagner
Walsh
Wilson

NOT VOTING—29

Andrews
Bailey
Byrd
Capehart
Connally
Cordon
Eastland
Glass
Gurney
Hawkes

Hoey
Kilgore
McClellan
McFarland
Maybank
Millikin
Murray
Radcliffe
Revercomb
Russell

Scrugham
Stewart
Taylor
Thomas, Idaho
Thomas, Utah
Vandenberg
Wheeler
Willis
Young

So Mr. TAFT's amendment was rejected.

Mr. WHERRY. Mr. President, I send to the desk and ask to have read an amendment which I offer in behalf of myself and the Senator from Minnesota [Mr. SHIPSTEAD].

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following:

It shall be unlawful to establish or maintain against the producers of any livestock, grain, or any other agricultural commodity a maximum price for such commodity which does not equal all costs and expenses (including all overhead expenses and return on capital, and an allowance for the labor of the producer and his family) incurred in the production of such commodity plus a reasonable profit thereon.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nebraska.

Mr. WHERRY. Mr. President, this amendment does exactly to the producer what would be done to the processor under the amendment of the Senator from Kentucky [Mr. BARKLEY].

I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Idaho [Mr. THOMAS] and will vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from North Carolina [Mr. BAILEY], the Senator from North Carolina [Mr. HOEY], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] are absent on public business.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent in Europe visiting battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco. He has a general pair

with the Senator from Michigan [Mr. VANDENBERG].

The Senator from West Virginia [Mr. KILGORE] is absent because of illness in his family.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent in Europe on official business for the Interstate Commerce Committee.

The Senator from Maryland [Mr. RADCLIFFE] is absent on Government business.

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent by leave of the Senate.

The Senator from Michigan [Mr. VANDENBERG] has a general pair with the Senator from Texas [Mr. CONNALLY].

The result was announced—yeas 37, nays 30, as follows:

YEAS—37

Aiken	Chavez	O'Daniel
Austin	Donnell	Reed
Ball	Ferguson	Robertson
Bilbo	Hatch	Saltonstall
Brewster	Hickenlooper	Shipstead
Bridges	Johnson, Calif.	Smith
Brooks	Johnston, S. C.	Thomas, Okla.
Buck	Langer	Wherry
Burton	McCarran	White
Bushfield	McKellar	Wiley
Butler	Magnuson	Wilson
Capper	Moore	
Chandler	Morse	

NAYS—30

Bankhead	Hart	Myers
Barkley	Hayden	O'Mahoney
Briggs	Hill	Overton
Downey	Johnson, Colo.	Pepper
Ellender	La Follette	Taft
Fulbright	Lucas	Tobey
George	McMahon	Tunnell
Gerry	Mead	Tydings
Green	Mitchell	Wagner
Guffey	Murdock	Walsh

NOT VOTING—29

Andrews	Hoey	Scrugham
Bailey	Kilgore	Stewart
Byrd	McClellan	Taylor
Capehart	McFarland	Thomas, Idaho
Connally	Maybank	Thomas, Utah
Cordon	Millikin	Vandenberg
Eastland	Murray	Wheeler
Glass	Radcliffe	Willis
Gurney	Revercomb	Young
Hawkes	Russell	

So the amendment offered by Mr. WHERRY in behalf of himself and Mr. SHIPSTEAD was agreed to.

Mr. WHERRY and Mr. HATCH addressed the Chair.

The PRESIDENT pro tempore. The Senator from Nebraska.

Mr. WHERRY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THOMAS of Oklahoma. I move that the motion to reconsider the vote be laid on the table.

Mr. HATCH. Mr. President—

The PRESIDENT pro tempore. The motion to lay on the table is not debatable.

Mr. HATCH. Mr. President, I desire to say that I rose to my feet first. I first addressed the Chair, and I desired to make a motion.

Mr. WHERRY. Mr. President, I raise the point of order.

The PRESIDENT pro tempore. A motion to reconsider the vote by which the amendment was agreed to has been made.

Mr. HATCH. I know it has been made, but I want it definitely understood that I was first to be on my feet, and the first one to address the Chair.

The PRESIDENT pro tempore. The Chair did not see the Senator, or hear him address the Chair. However, the Senator from Nebraska [Mr. WHERRY] was on his feet and was asking for recognition.

Mr. TAFT. Mr. President, I should like to explain my vote on this measure.

The PRESIDENT pro tempore. Is there objection to the Senator from Ohio making an explanation of his vote?

Mr. BILBO. I object.

Mr. TAFT. It is in order for me to state why I voted the way I did on the amendment, is it not?

The PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. Mr. President, I merely wish to state my point of order, that I do not like this procedure in the United States Senate. Any Senator should be heard at any time during a session of the Senate. I hope every Senator in this Chamber will vote "nay" on the motion to lay on the table.

The PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table. [Putting the question.] The Chair is in doubt.

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). Mr. President, I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Idaho [Mr. THOMAS] and will vote. I vote "yea."

The roll call was concluded.

Mr. HATCH. Mr. President—

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. HATCH. I merely desire to receive recognition after the result of the roll call is announced.

The PRESIDENT pro tempore. If the Senator is first on his feet—

Mr. HATCH. I am first on my feet, I think. I do not believe any other Senator is on his feet.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from North Carolina [Mr. BAILEY], the Senator from Kentucky [Mr. CHANDLER], the Senator from North Carolina [Mr. HOEY], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent in Europe visiting battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

The Senator from West Virginia [Mr. KILGORE] is absent because of illness in his family.

The Senator from South Carolina [Mr. JOHNSTON] is absent on official business.

The Senator from Maryland [Mr. RADCLIFFE] is absent on Government business.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent in Europe on official business for the Interstate Commerce Committee.

I am advised that if the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS] were present and voting they would vote "nay."

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent by leave of the Senate.

The Senator from Michigan [Mr. VANDENBERG] has a general pair with the Senator from Texas [Mr. CONNALLY].

The result was announced—yeas 33, nays 31, as follows:

YEAS—33

Austin	Donnell	Reed
Ball	Ferguson	Robertson
Bilbo	George	Saltonstall
Brewster	Hart	Shipstead
Bridges	Hickenlooper	Smith
Brooks	Johnson, Calif.	Taft
Buck	McCarran	Thomas, Okla.
Burton	McKellar	Wherry
Bushfield	Moore	White
Butler	Morse	Wiley
Capper	O'Daniel	Wilson

NAYS—31

Alken	Hatch	Murdock
Bankhead	Hayden	Myers
Barkley	Hill	O'Mahoney
Briggs	Johnson, Colo.	Overton
Chavez	La Follette	Pepper
Downey	Langer	Tobey
Ellender	Lucas	Tunnell
Fulbright	McMahon	Wagner
Gerry	Magnuson	Walsh
Green	Mead	
Guffey	Mitchell	

NOT VOTING—32

Andrews	Hoey	Scrugham
Bailey	Johnston, S. C.	Stewart
Byrd	Kilgore	Taylor
Capehart	McClellan	Thomas, Idaho
Chandler	McFarland	Thomas, Utah
Connally	Maybank	Tydings
Cordon	Millikin	Vandenberg
Eastland	Murray	Wheeler
Glass	Radcliffe	Willis
Gurney	Revercomb	Young
Hawkes	Russell	

So the motion of Mr. THOMAS of Oklahoma to lay on the table Mr. WHERRY's motion to reconsider was agreed to.

Mr. HATCH. Mr. President—

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. HATCH. I am very glad to be recognized now.

Mr. President, I had no particular objection to the amendment offered by the Senator from Nebraska [Mr. WHERRY]. I thought it might be a good amendment; I wanted a little bit of time to consider it.

Unfortunately, there has been exhibited today on the floor of the United States Senate a great desire on the part of Senators to cut off debate and limit inquiry. I am opposed to that. Whether it comes from the Republican side or the Democratic side makes no difference to me. But the Senate has voted, and it has decided to cut off debate by adopting a motion to lay upon the table a motion to reconsider, and not let Senators make even an honest inquiry as to what an amendment might mean. Frankly, I do not know what the amendment offered by the Senator from Nebraska does mean.

My only thought now is—and I am very serious about it—let it never happen again. When any Senator wishes to rise in his place and ask an honest question and find out what some proposal means, I hope the Senate of the United States will always be willing to accord that privilege to him.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. TAFT. I merely wish to state the reasons for my vote.

Mr. HATCH. I think the Senator should state them, and I think every Senator who voted should state his reasons.

Mr. TAFT. I voted against the Wherry amendment because it would set up a cost-of-production standard which would be contradictory to the par-

ity standard. Maximum prices have always been based on parity. A maximum price cannot be fixed below parity, and that has worked out very well. I think it would be a mistake to confuse the parity standard with the cost-of-production standard.

When we come to the processors, there are no such standards; there is nothing to protect them. So I thought we ought to have the cost-of-production protection. I do not have any great objection to substituting this proposal for the parity standard, but it would mix things up. Therefore, I voted against the Wherry amendment.

Mr. HATCH. Mr. President, I am very glad to have the explanation made by the Senator from Ohio, and if any other Senator wants to rise and state why he voted as he did, I shall be glad to yield.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HATCH. Yes; I yield to the Senator from Illinois. I said I shall be glad to yield to any Senator.

Mr. LUCAS. Mr. President, now for the first time I have learned what it was we were voting upon in connection with the last amendment. If the Senator from Ohio is correct in his statement of what the amendment does we will have more confusion and chaos as the result of now substituting or attempting to substitute the cost of production theory for the parity formula which has been upon the statute books and been worked out carefully over a period of years.

Mr. President, it just goes to show what can be done with a great formula of agriculture, the parity formula, which practically every farm organization in America is in favor of today, and to work out which years of time have been given. The cost of production theory has been before the Senate and House Committees on Agriculture times without number, but it has never been able to win its way in the United States Senate and have a fair hearing. Now we adopt it without a solitary soul, practically, knowing what we were doing.

I simply wish to make my position clear. I certainly hope that when the bill goes to conference the conferees will not permit the amendment to stand if what the Senator from Ohio has said with respect to its effect is correct.

Mr. President, this illustrates why it is so dangerous to vote upon an amendment of this sort at a late hour, when we absolutely do not know what it is all about. The Senator from Nebraska apparently took advantage of the situation in order to put through that kind of amendment.

Mr. BREWSTER, Mr. BARKLEY, and Mr. MOORE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield, and if so to whom?

Mr. HATCH. No, Mr. President; I do not yield now.

First I want to say that I still think the Senator from Nebraska had something in his amendment that was very good which I might have supported had I been accorded the opportunity to confer with him.

I have said that I would yield to any Senator who wishes to explain his vote. I first yield to the Senator from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. President, I think the RECORD should be clear that the Senator from Nebraska [Mr. WHERRY] presented his amendment in due course, and there was ample opportunity for any Senator at that time to be recognized before the vote was taken. Subsequently, when the motion to reconsider was made, I think the RECORD should be clear that the motion to lay on the table did not come from this side of the aisle. I think the RECORD will bear out that statement.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield, but I want to make sure that I still retain the floor.

Mr. BARKLEY. I hope the Senator from New Mexico will not extend indefinitely his invitation to Senators to rise and explain their vote. There is nothing we can do about the Wherry amendment now. If there are further amendments to be offered I should like to see the Senate act upon them, so we may dispose of all of them as well as the joint resolution this afternoon. If we can do that I do not see any particular point in Senators explaining their vote.

Mr. HATCH. The Senator from Oklahoma [Mr. MOORE] is on his feet. I yield to him if he desires to make a statement.

Mr. MOORE. Mr. President, I did not rise with the intention of saying anything respecting the vote on the Wherry amendment. I rose for the purpose of calling up an amendment which I have submitted. I thought the Senator from New Mexico had yielded the floor.

Mr. HATCH. Mr. President, I have nothing further to say. I yield the floor.

The PRESIDENT pro tempore. The joint resolution is still in the Senate and open to amendment.

Mr. WILEY. I call up an amendment which I have submitted, and I ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to insert a new section, as follows:

SEC. 3. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by inserting at the end of such section a new subsection as follows:

"(n) In establishing or maintaining maximum prices under this Act or otherwise in the case of collect-on-delivery sales of any commodity whereunder established practices of the seller a uniform charge is added to the price to cover mailing costs, an increase in maximum prices shall be allowed equivalent to any increase in such costs heretofore or hereafter resulting from increased postal rates or charges."

Mr. WILEY. Mr. President, I should like to have the attention of the Senate for 3 minutes. I have listened to the discussion which has taken place respecting the pending joint resolution for a number of days, and have sought no opportunity to make a contribution until now. I will state the simple purpose of my amendment. A year and a half ago Congress increased the c. o. d. charges. Let us consider one instance respecting

c. o. d. charges. If the c. o. d. charge contained in the revenue act was 17 cents before we passed the law making the increase, we increased it to 30 cents. The c. o. d. charge is the charge which under the law the purchaser should pay. In my little town there is a little factory doing a c. o. d. business and employing 200 workers. I took this matter up with the OPA and they legislated. They said that the manufacturer should pay the increased c. o. d. charge. That made a matter of 13 cents additional on each purchase. The increased c. o. d. charge made the difference to that factory in my town employing 200 persons between whether it would make \$18,000 net or go into the red \$3,000 a year. The House is again proposing to increase the c. o. d. charge, and the OPA, which has no authority to legislate, is dictatorially saying that the manufacturer must pay that c. o. d. increase.

Mr. President, we talk about doing something for little business. My amendment simply provides that OPA shall not impose that c. o. d. increase upon the manufacturer when in the past it has been the custom for the purchaser to pay the c. o. d. charge.

I know of two or three instances which I could mention to explain how this increase is affecting manufacturers detrimentally. In due time it will put many small factories out of business. In my little town of 10,000 people, if 200 persons were thrown out of employment, if their economic earnings were taken out of the life stream of the community, it would simply mean paralyzing it.

Mr. President, the point I am making is this: We gave the OPA power to do certain things, but we never gave to OPA the power to legislate, and we did not give it authority to transfer c. o. d. charges from the purchaser to the manufacturer. That is what my amendment involves, and I shall appreciate support for it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin. [Putting the question.] The Chair is in doubt.

Mr. WILEY. Mr. President, I ask for a division. Some time ago I spoke to the Senator from New York [Mr. WAGNER] about this amendment, and I understood him to agree that he would take it to conference.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. WAGNER. The amendment did come before the committee, but I felt that it was sufficiently important to be taken to conference if the Senate should agree to it.

Mr. BARKLEY. Mr. President, an amendment cannot be placed in a measure which is before the Senate with the understanding that it is to be taken to conference. The joint resolution may never go to conference. The Senate is now acting on it. It must go to the House. Whether it goes to conference will depend upon whether there are differences between the two Houses.

It seems to me that this amendment ought not to be agreed to on the theory

that it will go to conference, because it may never get there.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY]. On this question a division has been requested.

On a division the amendment was agreed to.

The PRESIDENT pro tempore. The joint resolution is before the Senate and open to further amendment.

Mr. MOORE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Oklahoma will be stated.

The LEGISLATIVE CLERK. On page 1, after line 8, it is proposed to insert the following new section:

SEC. 3. No maximum price established under the Emergency Price Control Act of 1942, as amended, or under the Stabilization Act of 1942, as amended, and no program of rationing or allocation with respect to distribution to civilians, shall be effective with respect to cattle, calves, eggs, and poultry, or any product or commodity derived or processed in whole or major part from cattle, calves, eggs, or poultry during the period from July 1, 1945, to September 30, 1945, both dates inclusive.

Mr. MOORE. Mr. President, it has been well understood throughout all the discussions on the joint resolution that we have in this country a surplus of range cattle. As a matter of fact, I think we have probably 20,000,000 more cattle today than we had on the average during the 10-year period prior to 1939.

The situation now is that many million head of cattle are on the ranges, and they cannot be slaughtered in the small slaughterhouses, what are called the nonfederally inspected plants, because of quotas fixed.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. MOORE. I yield.

Mr. WAGNER. As I understand, the purpose of the amendment is to take off, for a period of 3 months, any rationing or price control with respect to cattle and poultry, and the products thereof.

Mr. MOORE. That is exactly correct.

Mr. WAGNER. I hope we will not go that far.

Mr. MOORE. I would not expect the Senator to hope anything else.

It is perfectly apparent to me, from the votes in the Senate, that we are to have price control fastened upon us for another 12 months, if not permanently. I have been one of the very few who thought that the law of supply and demand might operate effectively and properly if we should give it an opportunity to operate; but we have not done so.

I cannot understand why we should not permit the slaughter of cattle already on hand. The Senator from New York says that he hopes we do not go as far as the amendment which I propose. Not to go that far would result in millions of pounds of beef being wasted, because those cattle cannot be slaughtered under the present regulations. They are fat, and would make fairly good beef now. They will have to go back on the ranges. Cattle-

men who know anything at all about the cattle country and the cattle business know that there is a possibility of cattle going back upon the ranges this winter, and not only becoming poor, but perishing because of the shortage of feed which is likely to follow the present unfavorable crop outlook.

If there is anything wrong with my proposal, I should like to have it pointed out, rather than to have merely the observation, "I hope we will not go that far." If there is anything wrong with permitting slaughterers to kill cattle which are already fat, when my amendment could not operate for any other purpose except to save meat for the people, I should be very glad to know about it.

I have included poultry in my amendment. It has been said by the Food Administrator that the law cannot be enforced with respect to the poultry business. If we should lift the ban on poultry, we could have an increase in poultry and poultry products.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. MOORE. I yield.

Mr. OVERTON. If the Senator's amendment were adopted, it would have the effect of destroying the black market during the 3 months' period, would it not?

Mr. MOORE. I suppose it would.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MOORE. I yield.

Mr. PEPPER. Has the Senator considered extending the period of nonoperation of the law, and doing more good by a longer period of nonoperation?

Mr. MOORE. Yes; but I do not find that sentiment here in the Senate. I believe that those who are afraid of inflation should have no fear of inflation as a result of removing rationing restrictions for this brief time, when we are marketing what we call grass cattle.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. MOORE. I yield.

Mr. BUTLER. The Senator's amendment would, in effect, remove rationing with respect to cattle for a period of 3 months, for the reason that there is an oversupply of cattle.

Mr. MOORE. That is correct.

Mr. BUTLER. The situation is very similar, is it not, to that which obtained when we had an overabundance of pork, but the OPA continued to maintain rationing until pork prices dropped clear under the sink.

Mr. MOORE. Yes. I believe that the price of cattle might possibly advance to some extent for a period of time, until the slaughterers received enough meat so that they could stock up their stores and supply the demand. Then I believe the price would find its proper level again. That is my candid opinion.

Mr. President, I do not consider this proposal so foolish as to merit the rejoinder, "I hope we will not go that far," as though we were proposing to go very far.

Mr. BARKLEY. Mr. President, I should like to say a word about the pending amendment seriously. It would mean that for the next 3 months, during July, August, and September, there would be neither price maximums nor rationing on cattle, calves, or any product of cattle or calves, or on poultry and eggs, or any product of poultry and eggs. In other words, the Government of the United States, buying meat for the Army and Navy, would be compelled to buy it in a market in which there was no regulation and no ceiling. That factor alone would cost the Government and the taxpayers of the United States an untold amount of money.

It is true that there are a great many cattle in the country. It is not at all certain or probable that the lifting of the ban for 3 months would result in their slaughter. Many things affect the cattle market besides prices; and I doubt very much if the ceiling prices have affected it to any great extent. But certainly if there is a surplus of cattle roaming the fields, there is no surplus of poultry. There is no surplus of eggs. Frequently one cannot find either in the market—and I am not speaking of the black market or any other market particularly. Frequently they cannot be obtained.

It seems to me that it would be almost—I do not like to use the word "farfical," but certainly it would seem incongruous for Congress to lift the ceiling ban and the rationing provisions with respect to these necessary articles of food. Those who have the biggest pocketbooks could rush in and buy them. There would be no restrictions, no ceilings, and no rationing.

It is suggested there would be no black market during those 3 months. I believe that that argument can hardly be taken seriously.

Mr. MOORE. Mr. President, I hope the Senator did not mean to say that this program would prevent the Government from buying meat for the soldiers.

Mr. BARKLEY. It would not prevent the Government from buying it; but the Government would have to buy it in competition with everyone else; and those who had the largest amount of money would run up the price.

Mr. MOORE. Certainly the Senator cannot mean that. That would not necessarily follow at all.

Mr. BARKLEY. Yes; I mean it.

Mr. MOORE. These contracts are made.

Mr. BARKLEY. Yes; they are being made all the time, and they are going to continue to be made. But they must be made in the light of the law and the economic situation and the supply.

Mr. MOORE. I cannot agree with the Senator about that.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The amendment reads:

No program of rationing or allocation with respect to distribution to civilians shall be effective—

And so forth. It says nothing about the Army.

Mr. BARKLEY. I understand that. But it would indirectly, if not directly, affect the Government's purchase of those products.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. In connection with the effect of the amendment let me say that in the section of the country from which I come the OPA has set a ceiling price for eggs of about 7 cents a dozen less than the agricultural authorities say it costs to produce them. The result has been, as I understand, that a very extensive black market has grown up, and it is possible to get as much as \$4 for a rooster or a laying hen. A man can get whatever he asks, because the demand is so strong.

It seems to me the effect of this amendment would be to legalize the black-market prices, and by September 30 we would not have a sufficient number of laying hens left in the country to begin to produce the eggs which will be needed for Thanksgiving.

Mr. BARKLEY. If the market is left free of any restriction, what does the Senator think a \$4 hen would get for an egg which it laid? [Laughter.]

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. MOORE].

The amendment was rejected.

The PRESIDENT pro tempore. The joint resolution is still before the Senate and is open to further amendment.

A day or two ago the Senator from Ohio [Mr. TAFT] filed a motion to reconsider the votes by which the committee amendments were agreed to. Does the Senator from Ohio wish to bring up his motion at this time, or does he wish to withdraw it?

Mr. TAFT. I withdraw the motion, Mr. President.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 30) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Resolved, etc., That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1945", and substituting "June 30, 1946."

Sec. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1945" and substituting "June 30, 1946."

Sec. 3. That section 3 of the Stabilization Act of 1942, as amended, is further amended by inserting at the end thereof the following: "Provided further, That on and after the date of the enactment of this proviso, no maximum prices shall be established or maintained on products resulting from the processing of cattle and calves, lambs and sheep, and hogs, the processing of each species being separately considered, which, taken together, do not allow for a reasonable margin of profit to the processing industry as a group on each such species."

Sec. 4. It shall be unlawful to establish or maintain against the producers of any livestock, grain, or any other agricultural commodity a maximum price for such commodity which does not equal all costs and expenses (including all overhead expenses, a return on

capital, and an allowance for the labor of the producer and his family) incurred in the production of such commodity, plus a reasonable profit thereon.

Sec. 5. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by inserting at the end of such section a new subsection, as follows:

"(n) In establishing or maintaining maximum prices under this act or otherwise in the case of collect-on-delivery sales of any commodity where under established practices of the seller a uniform charge is added to the price to cover mailing costs, an increase in maximum prices shall be allowed equivalent to any increase in such costs heretofore or hereafter resulting from increased postal rates or charges."

Mr. WILEY. Mr. President, I ask unanimous consent that I be permitted to have printed in the body of the RECORD a few remarks which I have prepared on the OPA situation.

The PRESIDENT pro tempore. Is there objection?

Mr. BARKLEY. Mr. President, I should like to make an inquiry of the Senator. The Senate has never recognized the right of its Members to extend their remarks in the RECORD. If we were to start such a proceeding, I think we would be establishing a bad precedent. Is that what the Senator has in mind in connection with his unanimous-consent request? I think we would be establishing a bad precedent if we were to start a practice of permitting Senators to extend their remarks in the RECORD without having delivered any part of them. Frequently Senators make certain remarks and then request that certain other matters be printed in the RECORD in connection with their remarks, but I do not recall an instance in which a Senator has been granted the privilege of extending his remarks in the RECORD without delivering at least a part of them.

Mr. WILEY. I will say that I stated a portion of them this afternoon in relation to my amendment which, fortunately, was adopted. But I make this request because the hour is late, and because I noticed that the distinguished Senator from Washington did the same thing this afternoon. The rule is one which seems to me to be observed more in the breach than in the observance.

Mr. BARKLEY. If the Senator wishes to have printed in the RECORD some matter in connection with remarks he made, I shall have no objection. But I understood the Senator to ask unanimous consent for the printing of remarks no part of which has been delivered here.

Mr. WHITE. Mr. President, I shall not object to the request, but I wish to concur completely in what the majority leader has said about the insertion in the RECORD of remarks which have not been delivered in part. If such remarks were printed, no Senator would be given an opportunity to exercise judgment regarding the propriety of the inclusion of the remarks. In my opinion, such a practice is a thoroughly bad one.

However, in view of the fact that the Senator from Wisconsin delivered a part of the statement this afternoon, I have no objection.

Mr. BARKLEY. Mr. President, I shall not object, but I do not wish to have the

Senate begin the practice of extension in the RECORD of remarks which were not delivered in part. That has been done for many years in the House of Representatives, but I think it is bad practice.

Mr. TAFT. Mr. President, since I have been a Member of the Senate, I have seen printed in the RECORD many remarks which were not actually delivered. My understanding is that they must be printed in fine type. I remember a discussion relative to the point that if such remarks are not delivered they must be printed in fine type. But many memoranda prepared by Senators have been inserted in the RECORD. I have seen that done—and often not in connection with an extended speech.

Mr. BARKLEY. Mr. President, I am trying to guard against beginning a custom of having printed in the body of the RECORD—whether in fine type or in box-car letters—an extension of remarks, no part of which has been delivered.

Mr. WHITE. Mr. President. Mr. President—

Mr. HATCH. Mr. President, I will object.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield, and if so, to whom?

Mr. WILEY. Mr. President, in view of the very pertinent remarks which have been made, I shall withdraw my request.

After having previously listened to the remarks of the distinguished Senator from New Mexico [Mr. HATCH] in relation to courtesies in the Senate, I wish to say that I had no intention of trespassing upon what I thought was a Senator's right. I should like to say briefly that if any Senator requests the printing in the RECORD of a matter which should not properly be printed there, I think that is going rather far. On the other hand, I think there is such a thing as treating each other on the level and on the square.

Mr. HATCH. I think the Senator should yield to me.

Mr. WILEY. I am very happy to yield.

Mr. BARKLEY. Did I understand the Senator from Wisconsin to say he had withdrawn his request?

Mr. WILEY. Yes; I have withdrawn my request.

Mr. HATCH. Mr. President—

Mr. BARKLEY. I yield for a question.

Mr. HATCH. I was about to say that if the Senator from Wisconsin desires to place anything in the RECORD, I shall not object.

Mr. WILEY. I thank the Senator. I did not believe that he would object. I reciprocate in the same spirit.

(At this point Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article from the Boston Herald by Bill Cunningham, which is noted elsewhere in the RECORD under the appropriate heading.)

Mr. WILEY. Mr. President, I wish to invite attention to the situation into which we have put ourselves. A United States Senator has asked and obtained consent to have printed in the Appendix of the RECORD an article written by Bill Cunningham. However, another Mem-

ber of the Senate has been unable to have printed in the RECORD a speech which he had prepared and expected to deliver, but because of the pressure of pending business in the Senate, he did not have an opportunity to deliver it. He made the request, and there was some question as to the validity of the request.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HAYDEN. I should like to state, as chairman of the Joint Committee on Printing, that I am familiar with the rule to which the Senator refers. Time and again Senators have asked permission to extend their remarks in the RECORD, but that custom is not followed in the Senate. If a Senator has a statement to make and desires to write it out and have it included in the RECORD as a part of his remarks, it may be done, but will appear in fine type, indicating that the remarks were not actually made on the floor of the Senate. The statement would not appear in the RECORD as having been actually made by the Senator.

EXTENSION OF TRADE AGREEMENTS ACT

Mr. GEORGE. Mr. President, I move that House bill 3240, a measure to extend the Trade Agreements Act, be made the unfinished business for tomorrow.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which had been reported from the Committee on Finance with amendments.

CONFIRMATION OF UNITED STATES TARIFF COMMISSION NOMINATION

Mr. BARKLEY. Mr. President, there is on the Executive Calendar only one nomination, that of Oscar B. Ryder, of Virginia, to be a member of the United States Tariff Commission. I ask unanimous consent that the nomination be considered as in executive session.

The PRESIDENT pro tempore. Is there objection? The Chair hears none and the nomination is confirmed, as in executive session.

Mr. BARKLEY. I ask that the President be notified forthwith of the confirmation of the nomination.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Col. Ray A. Robinson to be a brigadier general in the Marine Corps for temporary service from the 2d day of April 1943;

Col. William C. James to be a brigadier general in the Marine Corps for temporary service from the 31st day of July 1944;

Col. William O. Brice to be a brigadier general in the Marine Corps for temporary service from the 25th day of January 1945;

Lt. (jg) Elbert W. King, Dental Corps, United States Naval Reserve, to be an assistant dental surgeon in the Navy with the rank of Lieutenant (junior grade), to rank from the 1st day of May 1944;

Ensign Everett A. Malcolm, United States Navy, to be an assistant paymaster in the Navy with the rank of ensign, to rank from the 7th day of February 1941; and

Ensign Hartsel F. McCue, A1, United States Naval Reserve, to be an ensign in the Navy, to rank from the 16th day of November 1942.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:
Sundry postmasters.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 12, 1945, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received June 11 (legislative day of June 4), 1945:

REGISTER OF LAND OFFICE

Harry N. Child, of Washington, to be register of the Land Office at Spokane, Wash. (Reappointment.)

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

TO BE COLONELS WITH RANK FROM JUNE 1, 1945

Lt. Col. Clarence Ralph Huebner, Infantry (temporary major general).

Lt. Col. Frederick McCabe, Infantry (temporary brigadier general).

Lt. Col. William M. Cravens, Coast Artillery Corps (temporary colonel).

Lt. Col. Frederick Joseph de Rohan, Infantry (temporary colonel).

Lt. Col. Frederick Schoenfeld, Quartermaster Corps (temporary colonel).

Lt. Col. Arthur Paul Thayer, Cavalry (temporary colonel), subject to examination required by law.

Lt. Col. Paul Joseph McDonnell, Infantry (temporary colonel).

Lt. Col. Eustis Leland Poland, Infantry (temporary colonel).

CONFIRMATION

Executive nomination confirmed by the Senate June 11 (legislative day of June 4), 1945:

UNITED STATES TARIFF COMMISSION

Oscar B. Ryder, to be a member of the United States Tariff Commission for the term expiring June 16, 1951.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 11, 1945

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our God, how manifold are Thy works. In wisdom hast Thou made them all; the earth is full of Thy goodness. We rejoice in the unsearchable